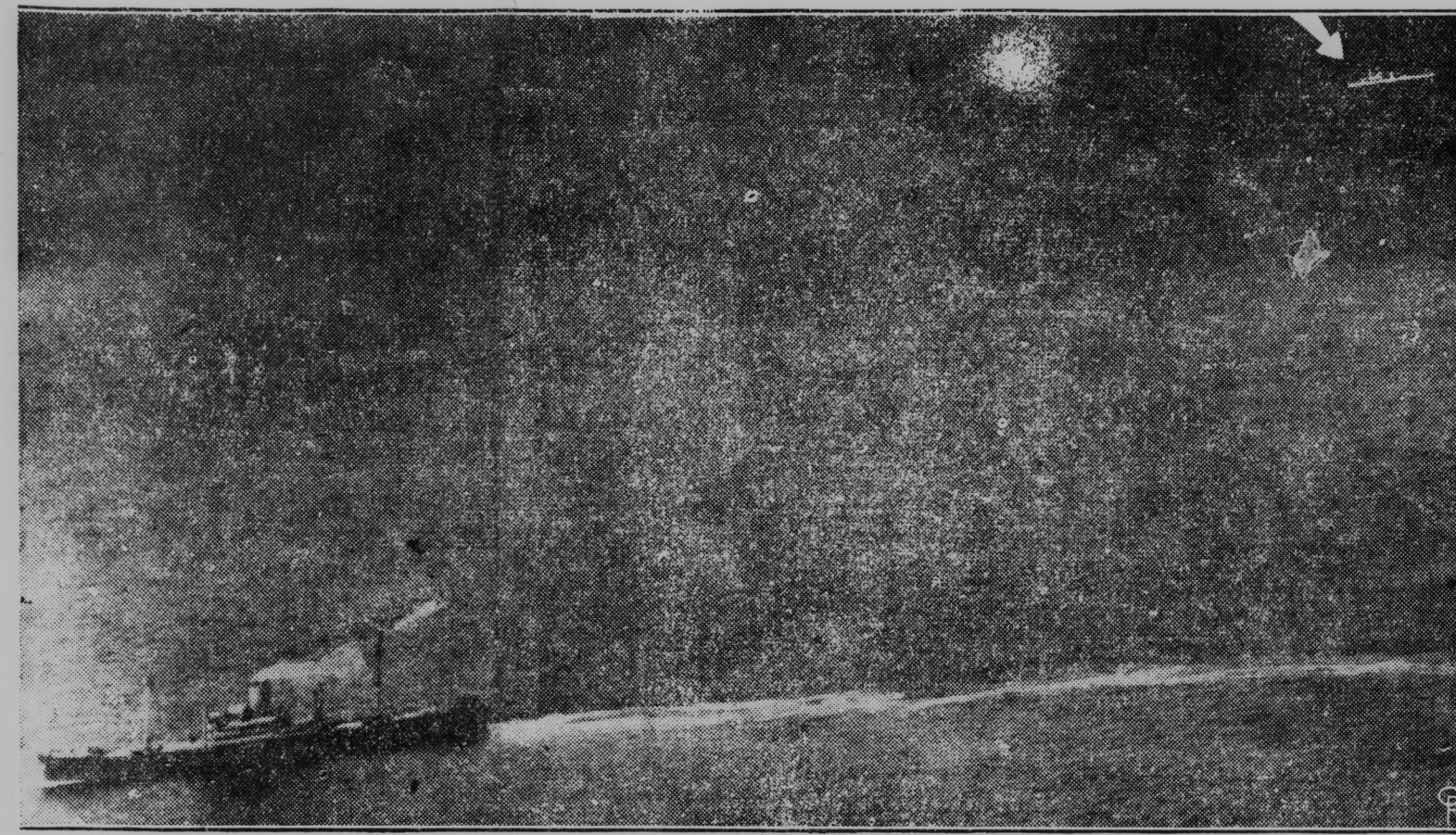


Soviets Bomb Finnish Hospitals

Morgenthau Fights Further Tax Levies On U.S. Consumers

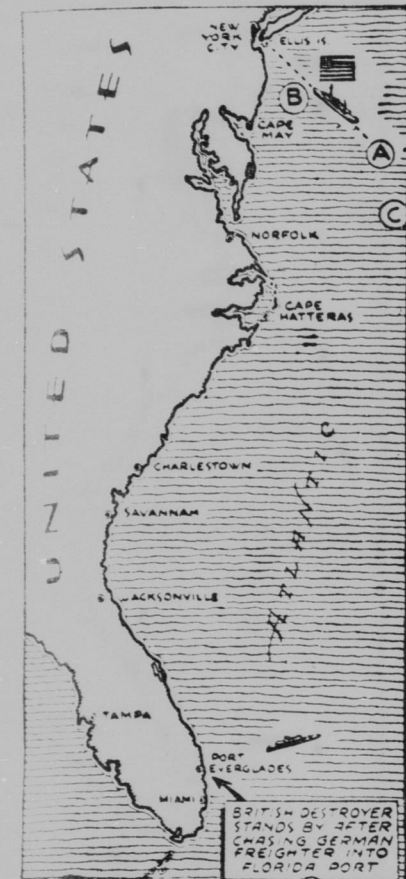
Nazi Freighter, British Cruiser Play Hare and Hound

Red Attack On Isthmus Is Stopped



The British cruiser Orion (arrow) stands off as the Nazi freighter Aruca (left) reaches the security of American territorial waters. In a thrilling race the Aruca took refuge at Port Everglades, Fla., while the warship hovered outside 3-mile zone.

Sea War Off U.S.



This map of the Eastern seaboard shows where (A) the Nazi liner Columbus first burst into flames, (B) the United States cruiser Tuscaloosa, which picked up 577 survivors, and (C) where the gutted Nazi ship was last reported to have drifted. At same time, the Nazi freighter Aruca sought safety of port at Port Everglades, Fla., as British cruisers drew near.

Treasury Head Opposed to Wallace's Scheme For Certificates; Administration Decision Not Made, But May Be Immediately.

Washington, Dec. 21.—(AP)—Secretary Morgenthau, saying he was opposed to further taxes on consumers, indicated today he was opposed to the proposed "certificate plan" to raise farm parity benefits. The Treasury head added, however, that the administration had not made a final decision on the certificate plan proposed by Secretary of Agriculture Wallace. Wallace had been asked to attend a second meeting of the President's fiscal and monetary committee this afternoon to talk about the idea. Morgenthau said he did not know whether this meeting would produce any decision, but if it did, he said, the verdict would be communicated to the President and not made public. Wallace's certificate plan proposes transferring from the Treasury to farm product processors, and perhaps to farm consumers, the burden of farm parity payments, which cost \$225,000,000 last year. Instead of the Treasury paying farmers the difference between market prices and so-called parity prices, elevators and others buying major crops from farmers would pay the full parity price directly to the farmer, taking a certificate provided the farmer by the Agriculture Department for the difference between market and parity value.

Britain To Protect Fishermen

Soup Kitchens For Ohio FDR's Plans

Washington, Dec. 21.—(AP)—John Owens, head of the Ohio CIO Council, said President told him today he was prepared to send army soup kitchens into that State if it becomes necessary to prevent starvation among relief clients. Owens left with the President a formal statement bitterly complaining of the relief situation in Ohio, saying the amount spent for home relief of the needy did not equal that provided for monkeys in the zoo. Owens emphasized that the President's promise of army kitchens would be carried out only if such a step was necessary to prevent starvation.

Wallace Grabs More Farm Control With Loans As Big Stick

Changes in Farm Lending Policies Believed Sure to Result From Secretary's Victory in Taking Over Huge FCA.

Washington, Dec. 21.—(AP)—Changes in farm lending policies were expected in many capital quarters today to follow Secretary Wallace's victory in obtaining greater control over the Farm Credit Administration. Agriculture Department officials, it was learned, wanted to tie in the operations of the \$5,000,000,000 agency more directly with their general objectives, including those of soil conservation. It is expected that the FCA hereafter will provide a measure of supervision and give advice on farm operations to its borrowers. A conflict between Agriculture Department and FCA heads reached a climax yesterday with the resignation of F. F. Hill as governor of the credit agency. President Roosevelt.

Would Oust Two Members Labor Board

Washington, Dec. 21.—(AP)—Representative Ramspeck, Democrat Georgia, called today for the resignations of J. Warren Madden and Edwin S. Smith from the National Labor Relations Board, and also proposed two major amendments to the Wagner labor act. Ramspeck, ranking Democrat of the House Labor Committee, told reporters that if Madden and Smith did not resign, Congress should abolish the present three-man board and create a new one. William M. Leiserson is the third member. "Madden and Smith, especially Smith, in my opinion, have not carried out the will of Congress, even though they have tried to do an honest job," Ramspeck said. "They seem to have an opinion down at the board that the act was created so

Allied Seizures Of Shipping Near One Million Tons

Paris, Dec. 21.—(AP)—French military authorities reported today a renewal of skirmishing activities on the western front. There was a 45-minute air raid alarm in western France last night with anti-aircraft guns in action. An official announcement said seizure by France of 74,000 tons of shipping last week brought to 362,000 the total tonnage seized since the war began. The French said British seizures of 26,383 tons in the week raised the British total to 590,883 tons.

Carmichael Controller At Carolina

Former Durham Man Gives Up Lucrative Brokerage Job in New York to Come to State University at Salary of \$7,500.

Raleigh, Dec. 21.—(AP)—Governor Roy said today that William D. Carmichael, Jr., prominent New York business man and alumnus of the University of North Carolina, had agreed to become controller at the University. Charles Wheeler, a member of a special committee appointed to select a successor to the late Charles T. Wallen, telephoned the governor and Carmichael had telegraphed his willingness to take the job. The committee will recommend by unanimous vote to the full board of trustees here December 28. Carmichael is a member of a New York stock exchange firm. He was born and reared in Durham. As a student at Chapel Hill, Carmichael was a star basketball player, busi-

Gravely Move Waiting On Bill Fenner

Daily Dispatch Bureau In the Sir Walter Hotel Raleigh, Dec. 21.—The announcement of Lee Gravely for governor has been delayed this long and is still being held up because of a question mark Lee is forced to put after Bill Fenner's name every time he writes literally or mentally. At least that is the grapevine information which seems to have considerable substantial factual foundation. Put in plain, understandable words, Lee hasn't yet been able to find out whether or not Fenner is going to run for governor also, and it is evident

Republics Of America Warn Of Force Here

Washington, Dec. 21.—(AP)—The American republics prepared a strong statement to European belligerents today to tell them that further violations of the neutrality belt will bring a stronger reaction than wordy diplomatic protest. The statement, which may be issued tomorrow, is to be a general declaration of the 21 na-

Violence Charges In Indictments Of Strikers In N. Y.

New York, Dec. 21.—(AP)—District Attorney Thomas E. Dewey's office announced today the arrest of 15 members of Local 150, United Machinists of the Needle Industries (CIO) on a charge of conspiracy to commit violence during a 12 weeks strike in 1938. A grand jury, Dewey's office said, ordered that informations be lodged against the fifteen. Assistant District Attorney Bernard Yarrow said the strike disrupted the repairing and selling of second hand sewing machines. Two of those arrested, the prosecutor added, were Rubin Worsager, union business agent, and Sol Friedman, a union delegate. The other thirteen were members of the strike committee.

Finland Is Seeking Loan Of \$50 Millions In U. S.

Washington, Dec. 21.—(AP)—Reports that Finland is seeking a \$50,000,000 loan from the United States government brought a statement from Senator McNary, of Oregon, the Republican leader, today that he would favor a substantial loan for "governmental purposes." "In view of Finland's attitude in keeping her money covenants with this government, I think we could afford to lend that country a substantial sum of money for governmental purposes," McNary told reporters. While he did not define the phrase "governmental purposes," McNary indicated he doubted the wisdom of making a loan which

could be used to buy war materials for use against invading Russian armies. Representatives of the Finnish government were said to have sounded out congressional leaders on the proposal after they were unsuccessful in obtaining Wall Street cooperation. The Reconstruction Finance Corporation recently lent Finland \$10,000,000 for the purchase in this country of non-war materials, such as agricultural surpluses. While the Finns welcomed this, they were represented as contending that their greatest need was for battle needs, guns, and other war materials.

Central Press Photo

Invaders Use Hundreds of Tanks in Desperate Battles; Finns Acknowledge Withdrawal in Arctic Area; Hospitals Badly Damaged.

Helsinki, Dec. 21.—(AP)—The destruction of two Russian battalions and destruction or capture of large quantities of Russian tanks, machine guns and other weapons in successes along the eastern front were reported today by the Finnish army communique. A continuation of the Finnish advance in the direction of Salla, on the northeastern front, also was reported. It was in this sector, above the Arctic circle, that the Russians previously had claimed their greatest gains. Twenty tanks were listed as taken or destroyed. In one battle alone, the communique said, the enemy lost 600 killed.

Helsinki, Dec. 21.—(AP)—Soviet Russian planes today bombed a hospital dormitory, heavily damaged a school for the blind and struck seven out of ten other hospital buildings. Two hospital patients were among the injured, and some deaths were reported likely. This raid on Helsinki, coming on the 60th birthday of Josef Stalin, the Russian leader, started at 11:58 a. m. (4:58 a. m. EST) and followed earlier attacks on towns for 25 miles

(Continued on Page Four)

Netherlands Planes Fight Bomber Craft

Amsterdam, Dec. 21.—(AP)—Netherlands planes fought an air battle with aircraft of undetermined foreign nationality today in full view of hundreds of residents of Utrecht. The invaders were reported to have come from the east, where the Netherlands borders Germany. A smoke curtain was dropped by the foreign fighters, who escaped under this protection. Heavy firing was heard from anti-aircraft guns and plumes of smoke from shells were seen. An official of a nearby village reported sighting eight or nine planes, but other reports told of only two or three. A short time earlier, three foreign military planes had been sighted in the border province of Celderland, which is north of Essen, Germany. Netherlands anti-aircraft batteries fired on the planes, and they were chased by Netherlands air patrols. An announcement of the government's press service said the planes had escaped from Netherlands territory, but did not give their nationality.

35 Ships Bombed, Torpedoed or Machine-Gunned in Three Days; Mine Sinkings Decreasing; Secret Meeting Is Held.

London, Dec. 21.—(AP)—Great Britain assembled ships and fighting planes today to protect her unarmed north Sea fishing fleet, against German attacks, in which 35 ships have been bombed, torpedoed or machine-gunned in three days. Defensive armament also was considered but the decision on whom Britain depends for an important supplement to her meat supply. The crews of trawlers engaged in mine sweeping and anti-submarine activities will be given a bonus retributive to the outbreak of the war, it was disclosed by the Admiralty. Such bonuses are paid for exceptionally difficult, dangerous and uncomfortable work. Strict secrecy surrounded a meeting yesterday between Admiral Jean Darlan, supreme commander of

(Continued on Page Eight)

Russian Warship Struck by Finns

Helsinki, Dec. 21.—(AP)—A direct hit on the Soviet Russian 23,265-ton battleship October Revolution was reported by Finnish officials today. The Finnish announcement said it was scored by coast defense batteries guarding Kovisto, a Gulf of Finland seaport about 69 miles northwest of Leningrad.

Protest By Germany On Internment

Berlin, Dec. 21.—(AP)—Germany protested today to the Argentine government against internment of the officers and crew of the seafaring pocket battleship Admiral Graf Spee. A communique by D. N. B., official German news agency, said Germany called Argentine's attention to the fact that shipwrecked crews of belligerent states, customarily are released after reaching neutral ports.

(Continued on Page Five)

Pocket Battleships Are Done For, Experts Think

By CHARLES P. STEWART Central Press Columnist

Washington, Dec. 21.—It will be a long time before naval experts get over discussing the German pocket-battleship Graf von Spee's fight off the South American coast with the English cruisers Achilles, Exeter and Ajax before her "suicide." It was an interesting fight to anybody, but these professionals' interest is frantic. English accounts are that John Bull's craft won; they made the Graf run away. The German version is that it was the Graf which



Graf Spee

Weather FOR NORTH CAROLINA. Generally fair tonight and Friday; slightly colder in mountains of southwest portion tonight, and in northeast portion Friday.

2 SHOPPING DAYS TILL Christmas. Includes an illustration of a dog and a shopping bag.

(Continued on Page Three)