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British Troops On the Move in Egypt



British reinforcements in Egypt leave their camp for a route march. These troops, because of military inactivity, have had the opportunity to acclimatize themselves to conditions of desert warfare. That experience now comes in handy as the British launch their offensive against the Italians on the Sidi Barrani front in western Egypt.

Italians In Mass Retreat In Egypt

LORD LOTHIAN IS DEAD AFTER SHORT ILLNESS

Roosevelt Is "Shocked" By Death

Washington, Dec. 12.—(AP)—President Roosevelt said today in a message to King George that he was "shocked beyond measure" at news of the death of Lord Lothian, the British ambassador.

The President's message, which originated aboard the U. S. S. Tuscaloosa in the Caribbean sea, said:

"I am shocked beyond measure to hear of the sudden passing of my old friend and your ambassador, the Marquess of Lothian."

"Through nearly a quarter of a century we have come to understand and trust each other. I am very certain that if he had been allowed by Providence to leave us a last message he would have told us that the greatest of all efforts to retain democracy in the world must and will succeed."

The United States government offered "all facilities at our disposal" to the British government in connection with the death of Lord Lothian, and it was believed in some quarters that an American warship might be used to carry the ambassador's body home.

British Ambassador to United States Succumbs in Washington to Uremic Infection; Was Taken Ill Sunday Night.

Washington, Dec. 12.—(AP)—Lord Lothian, the British ambassador to the United States died today.

His embassy made this announcement on the death of the man who had represented Britain's interest in the United States since four days before his country declared war on Germany.

"The British embassy deeply regrets to have to announce that the Marquess of Lothian died early this morning."

Lord Lothian was taken ill on Sunday night and although he continued to improve during Monday and Tuesday, he suffered a relapse last night.

"The cause of death was a uremic infection."

Lothian, 58, had been indisposed several days. He cancelled an appearance last night before the American Farm Bureau Federation in Baltimore and the speech he had prepared for delivery before the federation was read for him.

In the Baltimore speech Lothian reiterated a stand he had taken with increasing seriousness in recent weeks—that England would triumph in the war if given American aid.

The envoy had won a high place in the esteem of members of the diplomatic set.

Lord Lothian once believed that Adolf Hitler was "earnestly" desirous of peace and he advocated an Anglo-German pact. Then came Munich and Hitler's seizure first of the Sudetenland and then of all of Czechoslovakia. From that time on Lothian was convinced that the only way to deal with Hitler and Mussolini was through superior power.

New Swiss Leader



Dr. Ernest Wetter
President of Switzerland during 1941 will be Dr. Ernest Wetter, member of the Swiss Federal Council, shown at his desk in the capital city of Bern. He will continue Switzerland's difficult policy of strict neutrality.

3 Divisions Possibly Are Trapped

Latest Estimate of Prisoners Exceeds 20,000, With Tanks, Guns and Equipment of All Types, Cairo Communique Says.

London, Dec. 12.—(AP)—With the British claiming more than 20,000 prisoners and reports to London of a general Italian retreat, Prime Minister Winston Churchill told commons today it would not be surprising if at least the best part of three Italian divisions were trapped in the Egyptian desert.

A communique from Cairo said "the latest estimate of prisoners taken exceeds 20,000 with tanks, guns and equipment of all types."

Thus was summed up briefly the British view of the result of the four-day British offensive which carried their mechanical forces to the Mediterranean coast and into the Italian base at Sidi Barrani, advance Egyptian post of Marshal Rodolfo Graziani's forces.

Churchill, cheered wildly as he spoke, said 7,000 Italian prisoners already had reached Matruh, the British camp at the railroad of the line running eastward across the coast to Alexandria.

"It would not be surprising," he said, "if numerous Black Shirt formations had been either destroyed or captured."

The prime minister said the British were still pursuing the Italians westward with the royal air force supporting the attack and the navy shelling the principal road open to the fascist forces.

He observed that the scale of British operations, but said it was "clear they constitute a victory which in this African theatre of war is of the first order."

The three Italian divisions to which he referred may number from 42,000 to 51,000 men.

A Reuters, British news agency, dispatch from Egypt said the latest royal air force reconnaissance flight data indicated a general Italian retreat was developing.

Italians Taken Entirely By Surprise

By EDWARD KENNEDY.
With the British Desert Forces in Egypt, Dec. 10, (delayed)—(AP)—The advance British troops who opened the great Egyptian offensive against Marshal Rodolfo Graziani's forces took the Italians entirely by surprise after skillfully executed preparatory moves had carried them undetected across 75 miles of desert wasteland.

The fighting started early Monday and has been going forward ever since. The British have been routing the fascists at numerous points in the

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Nazis Pound Midlands

Assaults On London Fail

Birmingham Area and Surrounding Midlands Raided; London Under Alarm 14 Hours.

Dec. 12.—(AP)—German bombers penetrated twice at London today after pounding the industrial Birmingham area and surrounding Midlands towns during the night.

Under air raid alarm for 14 hours, the city was hit in the Birmingham area.

Six churches, two movie theatres, a hospital and public shelter were damaged. British reports said that the German bombers were heavier than the scale of the mid-

night raid. The casualties were not known. Many started with the fire fighters they extinguished or brought down the British reported. The damage to the city was heavier than the start of the air

factory scored by a British plane newly equipped with incendiary bombs. The royal air force shot down a German bomber and it exploded into bits.

It was the first time that the British had destroyed today.

Dec. 12.—(AP)—Red Guards reported today that two men had been killed, two wounded and 23 captured in a "clash" with an armed "fascist" force. The location of the fight was not known.

A Moscow news agency described the encounter as a "clash" between two Soviet detachments and a band of the border reinforcements, and said the band after a exchange of fire.

Daily Dispatch Bureau.
In the Sir Walter Hotel.
By HENRY AVERILL.
Dec. 12.—Reorganization of at least four of the State government is being proposed in the 1941 General Assembly; though there is no word that anything much will be done.

Italians Lose Positions In Albania

Athens, Dec. 12.—(AP)—Italian forces were reported today to have attempted counter attacks at two points in the northern sector in Albania, only to be driven back by the Greeks with heavy losses and to lose the positions from which they attacked.

The Greeks were said to have captured many prisoners and much war material.

Italian prisoners were quoted as saying that British royal air force and Greek attacks on the airdromes at Durazzo and Tirana, main port and the capital of Albania respectively, had been so effective that the Italians had abandoned the fields.

A pilot of a reconnaissance plane reported that damage at Valona, a secondary port of entry into Albania, had rendered use of the harbor impracticable for larger vessels. Pier and jetties were said to have been turned into masses of splintered wood and rubble.

Meanwhile, Greek fighting men driving up the south Albanian coast from Porto Edda toward the heights of Chimara, 20 miles to the north, are meeting scant resistance from retreating Italians, a Greek spokesman asserted but he acknowledged "very stubborn opposition in other sectors."

(From Yugoslavia came dispatches saying fascist forces had wiped out minor Greek gains northwest of Moskopole and west of Pogradetz in the northern part of the Albanian front.)

Negro Servant Confesses To Rape Charge

Greenwich, Conn., Dec. 12.—(AP)—A Negro chauffeur-butler, who, Assistant Prosecutor Archibald H. Tunick said, confessed three assaults on a young Greenwich society matron and later hurling her into a lonely reservoir, faced further grilling today after arraignment on a rape charge.

Tunick said that when the servant

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Ford Hits At CIO

California Republican Representative Charges Interference With Defense.

Washington, Dec. 12.—(AP)—Representative Leland M. Ford, Republican, California, charged on the House floor today that the CIO had "done everything it possibly could to disturb, disrupt and destroy the national defense program."

In a sharp denunciation of the labor organization Ford—to a cry by Representative Voorhes, Democrat, California, that he was making "wild statements"—charged:

"In their attempt to destroy airplane production they called a strike at Valparaiso, they stopped delivery of planes that are necessary to our army for training our men."

"They are striking against the ship building operators."

"There have been jurisdictional strikes that have slowed down and interfered with our national defense program."

"They are advocating and putting

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CAA Plans Construction

Washington, Dec. 12.—(AP)—A \$40,000,000 airport construction and improvement program was made public today with the announcement it would concentrate on actual take-off and landing facilities at 200 sites throughout the continental United States, Hawaii and Alaska.

The work, to be conducted by the Civil Aeronautics Authority, under an appropriation made by Congress in October, was termed "necessary to the national defense" by a priority board consisting of the secretaries of War, Navy and Commerce.

"Improvements under the program have been limited to development of actual landing facilities as these are essential," said Colonel Donald H. Connolly, administrator of civil aeronautics. "None of our funds are being used for building hangars or other facilities not actually a part of the landing field."

Dutch Ship Seizes Nazi Merchantman

Washington, Dec. 12.—(AP)—The Dutch destroyer Van Kinsbergen, a surprise companion of British men-of-war on Atlantic blockade duty, today had accounted for the last of three German merchant ships which slipped out of the harbor at Tampico, Mexico.

The Van Kinsbergen took possession of the Rhein, 6,031 ton German craft, off the coast of Cuba, naval authorities here announced last

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Loans Must Be Approved

Morgenthau Says Congress Must Consent to Loans for Great Britain, if Made.

Washington, Dec. 12.—(AP)—Secretary Morgenthau declared today that the Treasury would consider lending money to Great Britain only if congressional consent was obtained.

Joining Jesse H. Jones, the Federal loan administrator, in defining this policy, Morgenthau said at a press conference:

"Irrespective of any interpretations any lawyers might give (of the Treasury's power to lend money) I certainly would not be a party to any loan to Great Britain or any other country coming under the

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RAF Bombs Power Plant

London, Dec. 12.—(AP)—High explosives and incendiary bombs were dropped by the royal air force on a power station at Mannheim, Germany, "main objective" of last night's raids, the air ministry news service said today.

Fires broke out and were still raging when the last RAF plane turned homeward, the service said. The inland port of Mannheim, industrial town on the Rhine, was also bombed.

There were several fires which eventually caused heavy explosions. Docks at Calais, Boulogne and Etaples were "badly knocked about" during the night, the service added.

The RAF also attacked German airbases in occupied territory, losing one plane in the assault, the service said.

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Weather
FOR NORTH CAROLINA.
Cloudy with occasional showers in west portion tonight and Friday and in east portion late tonight and Friday, warmer.

Bankers Fear End Of Free Enterprise

Hollywood, Fla., Dec. 12.—(AP)—The Investment Bankers Association of America, through its governmental securities committee today claimed the nation is "moving away from the system of free enterprise to a form of state security capitalism."

In its report, approved by the association's board of governors and submitted to the annual convention, the committee said:

"This is not a healthy condition for a country facing an armament program, war economy and a certain post-war economic strain."

It attributed the trend in large part to the government's policy of making credit rates low (easy money) saying:

"Incomes of insurance companies, savings banks, trust funds, college and charitable endowment funds are being seriously reduced by the abnormal reduction on return on invested capital, and stresses and

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Power Board Defended

Commissioner Scott Criticizes Walter-Logan Bill in Address at Chapel Hill.

Chapel Hill, Dec. 12.—(AP)—Commissioner John W. Scott of the Federal Power Commission defended the necessity of federal regulatory bodies and criticized the Walter-Logan bill, now awaiting presidential action, in an address here today.

Speaking before the University of North Carolina law school, the commissioner declared the Walter-Logan bill providing for court review of the actions of governmental boards and agencies would "strangle effective regulation and cause innumerable delays in the administrative process."

He expressed the hope that federal regulation of water power resources now facing a challenge before the United States supreme court in the Appalachian Power Company case would be upheld.

At present Commissioner Scott told the students and faculty present, "less than 20 percent of the nation's water resources has to date been developed for power purposes and the estimated annual energy output from feasible undeveloped water power sites in the country amount to 273,000,000,000 kilowatt hours," which he said was more than double the production and consumption of last year.

The commissioner declared the power commission had not prevented the Carolina Aluminum Company from proceeding with a proposed hydroelectric development at Tuckersboro on the Yadkin river.

The body went no further, he said, than to render an opinion that a federal license would be necessary for the project because of the influence of the stream on the navigable waters of the Pee Dee river in South Carolina.

The company, he added, never asked for a license.

Financing Of Smaller Businesses Made Easier

By ROGER W. BABSON.
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Financial Bureau.

New York City, Dec. 12.—It becomes more and more apparent that the Securities and Exchange Commission has done a remarkable job in protecting the interests of the average investor. The commission has proved a good watch dog of the market. Originally, the SEC Act of 1933 called for registration of all security offerings to the public in excess of \$50,000. This ceiling was raised some time ago in certain cases. The commission announced on December 2 that domestic issuers of security issues up to \$100,000 are now exempt from the registration pro-

visions of the act. They need not even fill out a prospectus. This will prove a great aid to small concerns. It is a step in the right direction by the SEC. The commission should, however, move the lid over a little more and ultimately put the exemption up to \$500,000.

The SEC has never used the power of the law embraced in the Security Act to its fullest extent. I believe the commission is conscious of its power but, at the same time, is resolved to treat business gently. Small businesses, now in need of new capital, should immediately take advantage of the new and simplified

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