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Solemn Nazi Warning To U. S.

Germany Asks Recall Of U. S. Embassy Employees

Two Men And One Woman Included

Americans Accused of Aiding British Officers to Flee Occupied France; German Announcement Says Request Heeded.

Washington, Dec. 21.—(AP)—The German government requested the State Department today to recall Cecil M. Clegg and Leigh W. Hunt, secretaries of the United States embassy in Paris, and an embassy employee, Mrs. Elizabeth Deegan, on the ground that they had aided an unnamed British officer who escaped.

An official announcement stated that the United States government had heeded the German request and that the State Department would comply with the request of the German government and withdraw two officers and an employee of the American embassy in Paris.

Two secretaries of the embassy, Cecil M. P. Cross and Leigh W. Hunt, and the receptionist, Mrs. Elizabeth Deegan, will be assigned elsewhere.

Washington, Dec. 21.—(AP)—The State Department today announced that it had heeded the German request and that the State Department would comply with the request of the German government and withdraw two officers and an employee of the American embassy in Paris.

Hal Kemp Is Dead

Modern, Cal., Dec. 21.—(AP)—Hal Kemp, 36, orchestra leader, died today of complications that developed from injuries he suffered in an automobile accident Wednesday.

2 SHOPPING DAYS LEFT. DON'T FORGET TREE ORNAMENTS. 27 CHRISTMAS SEALS.

Harmon Trophy for Plane Designer



Major Alexander P. Seversky, (left), famed warplane designer and holder of many records, is shown as he was presented with the Harmon Trophy by President Roosevelt in the White House. The trophy is awarded annually for outstanding achievement in aviation. The trophy is at left.

Big Business Fears Sales Tax Changes

Possible Spread of \$8,000,000 Through Reduced Income and Increased Expenditures Gives Jitters to Business Tycoons.

Daily Dispatch Bureau. In the Star Water Hotel. By HENRY AVERILL.

Raleigh, Dec. 21.—Big business in North Carolina is getting a bit fearful at the prospect of exemption of all foods for home consumption from the state's three per cent sales tax.

Adding to the worry which these big business interests always feel on the eve of a General Assembly is the fact that the coming occupant of the gubernatorial office, J. Melville Broughton of Raleigh, does not appear to be taking them into his confidence as to his intentions along financial lines.

What they see on the surface is this: (1) A gubernatorial pledge to remove the tax from foods for home consumption. They are aware that Representative Jim Vester of Mecklenburg has written numerous legislators that he is preparing a bill for this purpose "at the request of the incoming governor."

This exemption is estimated to reduce sales tax receipts by a minimum of \$1,200,000 annually, and some estimators contend it will cut off approximately \$1,500,000. No matter which figure is taken, there results a big hole in sales tax revenue.

(2) A gubernatorial opposition to diversion of highway funds which has extended as far as opposition to the existing provision of the revenue act for "contingent" diversion. Hence, if the governor's wishes are followed there will be no "estimate" of \$2,500,000 each year available for general fund expenditures.

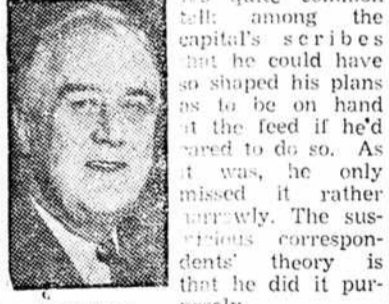
(3) The certainty that a state retirement system will be established at a cost of approximately \$1,800,000 a year.

Convenient Absence

Stewart Says Washington Correspondents Believe FDR Avoided Recent Banquet.

By CHARLES P. STEWART Central Press Columnist

Washington, Dec. 21.—President Roosevelt's absence on his Caribbean cruise furnished him with a first-rate excuse for non-attendance at the newspapermen's Gridiron club dinner in Washington a few evenings ago.



President Roosevelt

These Gridiron banquets generally are recognized as exceedingly important events and it is considered quite an honor to be invited to them. Probably the honor of the other way around when the invitee is as big an individual as our President. For all that, our presidents always have been glad to come, ever since the club's been in existence. F. D. R. himself invariably has accepted enthusiastically hitherto.

To be sure, at each succeeding feast the club's management makes it a practice to put on a program in connection with which the country's public men are lampooned terrifically, though, good naturedly. May be a few of them have been a trifle stung occasionally, but if so they've been too good sports to show it. F. D. R. included. Indeed, victims of the joshing never could have afforded to manifest resentment. It would have made them ridiculous to do it.

But the general impression in Washington's news circles is that President Roosevelt has been pretty sore at the press since the last campaign. He doesn't say so, but his manner, at his conferences with

No Changes In French Cabinet

Vichy Government Refuses to Take Back Laval; Italians Kept on Defensive in Albania and Africa; Othm. on Steps of First

(By The Associated Press.) In Vichy, France, informed sources said the French ambassador in German-occupied Paris, acting on orders of Chief of State Pétain, told the Germans that France would not make any changes in her cabinet or take back the ousted vice premier, Pierre Laval.

From Athens came a report that British bombers had successfully attacked oil tanks and railways at Brindisi on the heel of the Italian boot.

Despatches from the Greek front in Albania said the Greeks had captured an Italian colonel and two battalions near Tepeleni and had occupied two villages and two strategically important heights in the area.

German airmen singled out the Liverpool industrial and shipping district last night and early today for another mass bombing—one of the heaviest Liverpool has undergone.

Reports from the Libyan and Albanian battlefronts meanwhile indicated British and Greek troops were keeping Italy strictly on the defensive.

Blocks of homes and buildings were smashed during the Nazi raid on Liverpool and a number of persons were injured when a bomb struck a hotel. A British communique reported, however, that casualties were not believed large.

London and scattered sections of Britain also were raided and some bombs from unidentified planes fell in neutral Eire.

The British reported their own planes attacked Berlin and the Nazi "invasion ports" during the night.

Reinforcements for the army of the Nile moved up steadily through eastern Libya as British bombers and warships pounded the bustling Italian defense works around Bardia where 20,000 fascist troops are reported trapped.

Japan had a surprise cabinet shake up today in a move viewed by observers as aimed at stricter enforcement of economic restrictions.

Premier Prince Konoye appointed new ministers of justice and home affairs, apparently with the intention of strengthening home front departments.

No Military Matter In Stolen Case

Camden, N. J., Dec. 21.—(AP)—The New York Shipbuilding Corporation announced today that a brief case containing "production schedules" was stolen Thursday from one of its employees, Walter Keefe, at a restaurant near Schenectady, N. Y.

Fred Cornell, the corporation's public relations representative, said the brief case contained "no blue prints, ship construction plans" or other matter of "military value."

Previously New York state police had reported that they understood the stolen papers were plans for "construction of naval vessels." The corporation holds more than \$500,000 worth of Navy contracts.

Cornell said Keefe was employed as an "expediter"—to speed up production of materials needed in connection with ship construction—and was returning from a conference with General Electric officials when the theft occurred.

"He carried absolutely no blue prints or ship building plans," Cornell added.

On Mystery Visit to London



C. P. Radiophoto. Colonel William Donovan, former assistant United States attorney general, on his second visit to Europe this year, is shown leaving 10 Downing Street, London, after lunching with Prime Minister Winston Churchill. Donovan refused to give any explanation of his visit.

Roosevelt Names 'High Command'

Corbett Gets Big U. S. Contract

Raleigh, Dec. 21.—(AP)—Governor Eloy was informed today that the Corbett Truck Company of Henderson had been awarded a \$1,500,000 contract to supply 250 trucks for the transportation of anti-aircraft guns.

J. T. Anderson, industrial engineer in the State Department of Conservation and Development, received word from the firm that it had been given the work.

The state's office in Washington adds in obtaining the contracts. They also revealed that at the request of the water transportation branch of the War Department, the North Carolina office in Washington was surveying the state's three boat building concerns to determine what kind of boats and how many they could produce.

Award Contracts For Naval Vessels

Washington, Dec. 21.—(AP)—Secretary Knox announced today the awarding of contracts to private shipyards for 21 additional naval vessels, tenders and other naval vessels, estimated to cost \$265,765,500.

Additional contracts totaling \$6,600,000 were awarded at the same time to expand facilities at the shipyards receiving the orders.

Weather. FOR NORTH CAROLINA. Generally fair tonight and Sunday, slightly colder tonight.

Peaceable Relations In Balance

German Government Awaits Reaction to Proposal of British Shipping Minister Cross Concerning Assignment of Ships.

(By The Associated Press.) The question of continued peaceable relations between Germany and the United States hangs in the balance as the German government awaits reaction to the Cross shipping proposal, an official foreign office spokesman intimated today in a solemn press conference.

Renald H. Cross, British minister of shipping, said yesterday in London that the assignment

Washington, Dec. 21.—(AP)—Secretary Hull declined today to comment on statements made in Berlin to the effect that Germany would consider it an unfriendly act if the United States requisitioned foreign flag ships now in American ports and sold them to the British government.

The secretary was asked at his press conference if he would give the views of the American government on the question and replied in the negative.

of a "certain number of enemy ships in the United States and addition of United States ships to the British service" are the only way I can see for replacement of any consequence."

"The entire attention of the German government is centered upon the American reaction to the Cross proposal," the spokesman asserted.

"That proposal is nothing other than inciting America to commit a warlike act," he said. "I speak with tremendous earnestness in my capacity as your official informant and spokesman. Our interest is extraordinary," he continued, "because in an increasing manner one nation (meaning Germany) has shown restraint to the point of self-restraint, while on the other side there has been a systematic policy of pin pricks, challenges, humiliations and even moral aggression."

"The Reich government is therefore centering its entire attention upon this problem."

The English-American discussions over the United States' assistance to Great Britain have become increasingly interesting, the German spokesman added, because it is unbearable for Germany to let things drift further.

Posse Hunts Murderer Of Trooper

Ringgold, Ga., Dec. 21.—(AP)—Fifty officers followed a dim blood trail through rough Georgia hills today, hunting a man who killed a state trooper while being cautioned against reckless driving.

Corporal Fred Black, 29-year old former college football player was struck down by three revolver bullets last night before he could draw his gun but as the slayer ran toward nearby woods Patrolman B. R. Farr emptied his pistol at the fleeing man.

Clear blood traces were found leading away from the highway. Captain D. F. Simmons hurried to this north Georgia village to head a force of 25 patrolmen and a like number of local officers in a manhunt that got under way almost at once. Bloodhounds were brought today to trail the fugitive.

Farr said he and Black stopped the car about three miles north of here and cautioned the driver against reckless driving. Black told the motorist that he would prefer no charges, but as he walked away to the front of the car to inspect the license plates the man jumped out with his gun banging. Later it was learned that the automobile had been stolen December 10 in Miami, Okla.

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