TWENTY-SEVENTH YEAR

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HENDERSON, N. C., SATURDAY AFTERNOON, DECEMBER 21, 1940

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Solemn Nazi Warning To U.S.

Germany Asks Recall Of U. S. Embassy Employees

TwoMenAnd One Woman Included

Americans Accused of Aiding British Officers to Flee Occupied France; German Anneuncement Says Rement Heeded.

Dec. 21 -- (AP)-The Germent requested the State and Leigh W. Hunt, secrethe United States embassy and an embassy employee. beth Deegan, on the ground d an unnamed British of-

announcement stated United States government med the German request and

Washington, Deer 21-(AP)-Secretary Intil said today inal State department would comply with the request of the German government and withdraw two officers and an emplayer of the American embassy

Inp secretaries of the embasss. Cecil M. P. Cross and Leigh Hunt, and the receptionist. Mrs. Elizabeth Deegan, will be as-

d the reich government tarted investigations. ncement said Mrs. Deed the English officer in enable him to flee. thorities' investigations closed that embassy secross and Hunt also were he announcement assert-

ore, Cross was charged maving hidden for months in sy building an unnamed tizen in the employ of the ice. The agent finally was outs de the building, the ement declared, and conespionage against Germany. Mrs. Deegan, a former recident of nevalle. N. C., was arrested by Germans in Paris December 5 charge of conniving to help officers escape. She was a tionist at the Paris embassy. United States protested. She was eleased December 14.

appointed to the consular from Rhode Island, was as-

Hunt, a second secretary and con-li was assigned to Paris December 1940. He was appointed from the District of Columbia.

Hal Kemp Is Dead

Madera, Cal., Dec. 21.—(AP)—Hal Kerap, 36. orchestra leader, died toby of complications that developed injuries he suffered in an aubile accident Wednesday.

physician announced yesterday his condition was grave and was placed in an oxygen tent. he band leader lived in Beverly His wife was at his bedside. One of Kemp's lungs was punctur-

and another collided near here. terday pneumonia developed in injured lung and spread to the

Kemp was a native of Charlotte,



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 Liverpool industrial and shipping Trophy by President Rossevelt in the White House. The trophy is awarded district last night and early today for enother mass bombing—one of the 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 In-Gives Jitters to Business Tycoons.

Daily Dispatch Gureau. In the Sir 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.

Nobody has gone before a micro and to his post in Paris as a first body is writing letters to the editor and spot and consul February 14, body is writing letters to the editor about it—but there are definite and unmistakable indications that the larger financial interests are apprehencing that they will be handed more sive that they will be handed more of the tax load to carry in order that the next governor's pledge to "take the tax off the table" may be reacemed.

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 i this: (1) A gubernatorial pledge to remove the tax from foods for home consumption. They are aware that Death was caused by pneumonia. Representative Jim Vogler of Meckichburg has written numerous legis-lators that he is preparing a bill for this purpose "at the request of the incoming governor."

This exemption is estimated to re duce sales tax receipts by a minimum and several ribs broken when his and another collided near here.

act for "contingent" diversion. Hence, if the governor's wishes are followed there will be no "estimate" of \$2,-

eral fund expenditures. threment system will be established be a few of them have been a trifle (3) The certainty that a state re-

be demands for more money to run the joshing never could have after the schools, with the possibility this forded to manifest resentment. It represents the proposed Him will extend so far as state support for a nine months term. If the lat-

(Continued on Page Two)

Stewart Says Wash- ported trapped.

Japan had a surprise cabinet shake Believe FDR Avoided Recent Banquet.

By CHARLES P. STEWART Central Press Columnist

Washington, Dec. 21. - President rate excuse for non-attendance at the newspapermen's Gridiron club dinner in Washington a few evenings

it's quite common capital's scribes it he could have so shaped his plans as to be on hand it the feed if he'd rared to do so. As it was, he only missed it rather icious correspondents' theory that he did it pur-

President

pesely. Roosevelt These Gridiron banquets generally are recognized as exceedingly important events and invited to them. Probably the honor's the other way around when the "construction of naval vessels". The invitee is as big an individual as our

500,000 each year available for gen- connection with which the country's public men are iampooned terrifi-cally, though, good naturedly. Mayat a cost of approximately \$1,800,000 stung occasionally, but, if so, they've (4) The certainty that there will D. R. included. Indeed, victims of

But the general impression in pers predominantly were against his for a nine months term. If the latter possibility becomes a fact, it would cost at least \$3,250,000 a year. Washington's news circles is that would cost at least \$3,250,000 a year. President Roosevelt has been pretionally becomes a newspaper would cost at least \$3,250,000 a year. President Roosevelt has been pretionally becomes a newspaper the last the papers' Washington representations. be demands for increased expendi-ty sore at the press since the last the papers' Washington representahis 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 Potnin, told the German: that France would not make any changes in her cabinet or take brick the ousted vice premier.

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

in Albania said the Greeks had cap-tured an Italian colonel and two battalions near Tepeleni and had occupied two villages and two strate-gically important heights in the area. German airmen singled out the heaviest Liverpool has undergone.

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

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 casualtics were not believed large.

London and scattered sections of British also were raided and some

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 bembers and warships pounded the bristling Italan defense works around Bardia where 20,000 fascist troops are re-

ington Correspondents up today in a move viewed by observers as aimed at stricter enforce-

ment of economic restrictions. Premier Prince Konoye appointed new ministers of justice and home affairs, apparently with the inten-tion of strengthening home front de-

No Military Matter In Stolen Case

Camden, N. J., Dec. 21.-(AP)-The New York Shipbullaing Corporation announced today that a brief case containing "production sched-ules" was stolen Thursday from one ules was stolen in the sus-of its en ployees, Walter Keefer, at a restaurant near Schnectady, 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 its considered quite an honor to be had reported that they understood the stolen papers were plans for corporation holds more than \$500,-

timators 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 existence of the existing provision of the revenue the existing provision of the revenue are for "contingent" diversion. Hence, the club's matter and the existence of the contingent of the revenue of the existing provision of the revenue of the duction of materials needed in connection with ship construction—and was returning from a conference with Genera lElectric officials when the theft occurred.

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

the correspondents, has indicated it. been too good sports to show it. F. In a number of instances he's been decidedly snappish in answer to

It's understandable. The evidence was overwhelming that the newspa-

On Mystery Visit to London



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 Hoey was informed today that the Corbett Truck Company of Henderson had been awarded a \$1,500,000 contract to supply 200 trucks for the transportation of anti-aircraft

J. T. Anderson, industrial enginer 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 a'dde in obtaining the contracts. Hoey also revealed that at the request of the water transpor't ion branch of the War Department, the North Carolina office in Washington was surveynig the state's three boat building concerns to determine what kind of boats and how many they could produce.

The office has been trying to get ship contracts for the com-

Award Contracts For Naval Vessels

Washington, Dec. 21.--(AP)--Secretary Knox announced today the awarding of contracts to private shipyards for 21 additional mine layers, tenders and other naval vessels

Weather

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

EXTENDED FORECAST. For period ending December 25. Southeastern States.

Rain first part and again toward close of period: amounts probably moderate to heavy. Temperature near normal north portion and above south portion. Cooler north and central portions about Sunday.

Knudsen, Hillman, Stimson and Knox Named to Defense Board Charged With Responsibility of Arming America.

Washington, Dec. 21.-(AP)-Four men personally selected by President Rosevelt as a defense "high com-mand" shouldered the concentrated responsibility today of arming Amer-

To the new organization-to be. nown as the Office of Production Management for Defense-the President late yesterday named William S. Knudsen nad Sidney Hillman of he present defense commission, War Secretary Stimson and Secretary of the Navy Knox, Knudsen will be di-

Although the present defense adisory commission will be retained, was expected that the new board would take over most of its duties, leaving the seven defense commissioners to coordinate the civil life of the nation with the activities of the new board.

Mr. Roosevelt's decision to create the new office followed widely voiced demands for a greater centralization at the result of authority.

Ringgold, Ga., Dec. 21.—(AP)—Fifty officers followed a dim blood

buyer-user.

experts, will represent management, emptied his pistol at the fleeing man. Hillman, a union man of 30 years, will handle labor problems and will be assistant director of the board.

Captain D. F. Simmons hurried to Secretaries Knox and Stimson will this north Georgia village to head a present the viewpoint of the buyer.

user—the Army and Navy. informed quarters outside the White House that the President was considering a "fireside chat" on the status of the defense program. There the car about three miles north of were no indications when it might here and cautioned the driver against

with the President.

turn over to subordinates.

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 bangs in the balance as the German government awaits reaction to the Cross shipping proposal, an official foreign office spokesman intimated today in a sol-ema 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 auestion and replied in the negative .

of a "certain number of enemy ships in the United Statse and addition of United States ships to the Britsih service "are the only way I can see for replace-

ment of any consequence".
 'The entire attention of the German government is centered upon the American reaction to the Cross proposal," the spokes-

can asserted. "That propisal is nothing other than inciting America to commit a warlike act." he said. "! speak with tremendous carnestness in my capacity as your offi-

cial 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-effacement, 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 tention upon this problem".

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

Posse Hunts Murderer Of Trooper

The prospects were that the new setup would be functioning by Jan-state trooper while being cautioned

The board, Mr. Roosevelt said, will represent all three of the elements involved in every process of production—labor, management, and the lets last night before he could draw lets last night before he could draw Big Danish-born Knudsen, one of his gun but as the slayer ran toward the nation's outstanding production nearby woods Patrolman B. R. Farr

number of local officers in a man-It was learned from usually well hunt that got under way almost at

be given.

The new four-man board will be given full responsibility to make decisions of policy without conferring with the President. The board, Mr. Roosevelt indicat- license plates the man jumped out ed, will have all the powers which with his gun banging. Later it was

the president constitutionally can learned that the automobile had been stolen December 10 in Miami, Okla.