

HENDERSON Daily Dispatch

ONLY DAILY NEWSPAPER PUBLISHED IN THIS SECTION OF NORTH CAROLINA AND VIRGINIA

TWENTY-SEVENTH YEAR

LEASED WIRE SERVICE OF THE ASSOCIATED PRESS.

HENDERSON, N. C., WEDNESDAY AFTERNOON, JANUARY 1, 1941

PUBLISHED EVERY AFTERNOON EXCEPT SUNDAY.

FIVE CENTS COPY

HAPPY NEW YEAR



Changes Urged In U. S. Fiscal Policy

FDR Prepares His Message

Expected To Ask 'Lend-Lease' Plan

President's message to Congress to be delivered next Monday; George joins in opposition to convoy proposal.

Washington, Jan. 1. (AP)—President Roosevelt ignored the holiday today to put in "the first real ticks" on his annual message to Congress...

It was believed that President Roosevelt probably would incorporate in this message on the state of the Union some materials that time limitations prevented his using in his Sunday radio broadcast.

Mr. Roosevelt himself indicated yesterday that the message would include a request to Congress for broad authority to lend war supplies to Britain with perhaps discretionary authority to negotiate for repayment both "in kind" and in raw materials or other products.

The President's message to Congress to be delivered next Monday was the next scheduled administrative pronouncement on the whole involved question of defense, British aid, and international relations.

Further action for speedier arms production was reported under consideration.

Marines Held By Japanese In Peiping

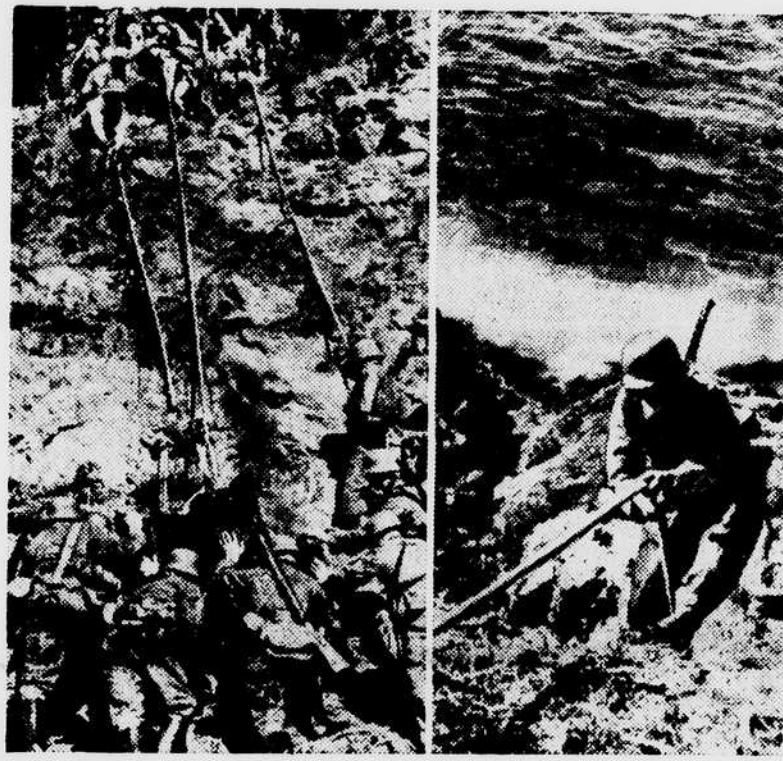
Peiping, China, Jan. 1.—(AP)—United States officials asserted today that four American marines had been injured by Japanese gendarmes who held them 17 hours after a cabaret fracas.

The American version is that five marines were arrested by the gendarmes shortly before midnight New Year's eve at the International cabaret after an altercation with Japanese civilians.

The five were held incommunicado until 5 p. m. today, despite three demands by Colonel Allen H. Turnage, commandant of the marine guard of the United States embassy, that they be handed over to his custody.

Weather FOR NORTH CAROLINA. Mostly cloudy with rising temperature tonight and Thursday; scattered showers Thursday in west and north central portions.

Rehearsing British Invasion



Along a coast with the same characteristics as the English and Scottish shores, German troops rehearse their behind-schedule invasion attempt.

Plan Would Stop Danger Of Inflation

Federal Reserve System's recommendations include repeal of Presidential power to revalue the dollar.

Washington, Jan. 1.—(AP)—The Federal Reserve System recommended a repeal of Presidential powers to revalue the dollar and issue "green back" money today in a program designed to prevent the inflation—and higher prices—which might result from huge defense spending.

Also advocated among the proposals requiring congressional approval was a gradual increase in taxes until the federal budget is balanced or, in everyday language, until government tax collections can pay for the government's expenditures.

Chairman Marriner S. Eccles of the Federal Reserve Board in making the proposal public said it was purely of a precautionary nature. He added it had the unanimous approval of the members of the Federal Reserve Board, presidents of the twelve federal reserve banks and the federal advisory council which represents the 7,000 individual banks belonging to the Federal Reserve System.

Briefly the plan called for technical measures to prevent use of most of the \$7,000,000,000 idle money now in banks for excessive loans; a reversal of administrative policy in some monetary fields, and, finally,

(Continued on Page Three.)

Sadness Noted In 'Happy New Year'

Violence Takes Toll of 92 Lives

(By The Associated Press.) Violence cost the nation at least 92 lives as 1941 rang in with high merriment.

An Associated Press survey at 1 p. m. today showed traffic accidents left 72 persons dead and fires, shootings, stabbings and similar causes accounted for 20 other lives.

In many sections of the nation inclement weather kept automobile drivers off the roads as merry making ushered in 1941. Police admonitions against driving after imbibing also appeared to have borne results.

Greeks Meet New Forces

Strong Italian Reinforcements Fail to Bolster Resistance, Greeks Say.

Athens, Jan. 1.—(AP)—Strong Italian reinforcements rushed to the Albanian battlefield in an effort to turn the tide against the Greeks were declared by a Greek spokesman today to be meeting the same fate as the troops they came to bolster—capture and defeat.

The spokesman said Greek charges were driving the Italians from one fortified height after another along the coast beyond Chimara toward the port of Valona in one of the fiercest battles of the Greek-Italian war.

Fighting almost as severe raged in the mountainous Tepelni-Klisura region in the northeast, it was said.

(Continued on Page Three.)

Three of Earth's Five Continents Torn By War as 1941 Finds America Redoubling Efforts of National Defense.

(By The Associated Press.) A grim world at war fought on into a new year today while the Americas, at peace, girded for defense of virtually the only shores free from strife.

The shouts of "Happy New Year" were tinged with a note of sadness on three of the earth's five continents.

Chief figure in the world's warfare was Adolf Hitler, who, with the scolds of many countries dangling from his belt, told his soldiers that in 1941 he would complete "the greatest victory in history."

England's Winston Churchill pledged his embattled nation to repay Germany with interest for its

(Continued on Page Three.)

British Planes Raid Widely

Carro, Jan. 1.—(AP)—British planes in a series of fierce raids around the central Mediterranean from Bardia to Naples pummeled several of Italy's major bases and ports including Taranto, the royal air force command announced today.

At Taranto, where the British said they crippled half of Premier Mussolini's six battleships on November 11, today's communiqué said eleven bombs were seen to fall around fascist battleships.

In these far-flung forays carried out Monday night, the British reported the harbor of Palermo in Sicily;

(Continued on Page Three.)

Plan To Speed Building Of Planes Is Discarded

Washington, Jan. 1.—(AP)—The Reuther plan for utilizing automotive industry facilities to turn out 500 warplanes a day was reluctantly termed impractical today by high defense production experts.

The plan, calling for use of now idle automobile plants and machinery to step up aircraft production, was fathomed by Walter Reuther, director of organization for CIO's United Automobile Workers of America, at General Motors plants. It was submitted to President Roosevelt by Philip Murray, CIO chief.

Mr. Roosevelt said then that it was receiving serious consideration, but today defense experts who declined to be quoted by name, listed these obstacles:

1. The difficulty of obtaining sufficient machine tools, either new or old.

2. The impossibility of obtaining sufficient aluminum products in the six-month preparatory period before the start of production.

3. The fact that automobile plants already were being assigned major defense jobs—the production of thousands of engines and other parts for 3,600 bombers to be assembled in four middle western plants.

4. Lack of immediate armament for so great a number of planes as the plan contemplates.

New State Administration Has Legislative Problems

Nazis Raid In Pacific

Five Hundred Persons Rescued From Pacific Island by Australian Vessel.

Singapore, Jan. 1.—(AP)—A series of blows against Pacific shipping over a period of "some months" by German raiders was disclosed today in an Australian naval board announcement of the rescue of 500 persons comprising passengers and crews of ten sunken ships from an island in the Bismarck archipelago.

The 500, including 20 women and seven children, were landed December 21 on Enarua Island in the archipelago by the German raiders and subsequently taken off by an Australian ship which already has landed them in Australia.

They were British, French and Norwegian nationals.

The ten sunken vessels, totaling 62,772 tons included seven of British registry, two Norwegian and one

(Continued on Page Three.)

Defiance Is British Theme Of New Year

London, Jan. 1.—(AP)—Londoners greeted the new year grimly today with shouts of defiance to Adolf Hitler from blacked out streets marked with the ruin of repeated bombings.

Neither the scarred capital nor any other section of Britain reported new bombings or raiders overhead throughout the night. The royal air

(Continued on Page Three.)

French-Nazi Split Reported

London, Jan. 1.—(AP)—A Reuters (British news agency) dispatch from Lisbon today said Chief of State Marshal Petain's Vichy government had broken off negotiations with Germany.

(The Associated Press has received no confirmation of this report from other sources. A dispatch from Vichy reporting Marshal Petain's New Year reception of foreign diplomats gave no indication of fresh French-German troubles.)

Authoritative quarters here said "all reports of this character should be treated with reserve." No confirmation was available in London.

Negotiations looking toward collaboration of the Petain government with Germany have been in a virtual stalemate since December 14, when the old Marshal ousted Pierre Laval, his vice premier and foreign minister, from his government.

Broughton's Position On Diversion And Sales Tax Uncertain, Averill Says

Daily Dispatch Bureau. In the Sir Walter Hotel. By HENRY AVERILL.

Raleigh, Jan. 1.—It can easily come to pass that those who have been nonchalantly cataloging J. Melville Broughton's views on "contingent diversion" and on "exemption of food for home consumption from the sales tax" turn out to be wrong in their views.

There has been a very prevalent opinion, among writers, politicians and lay folks, that the next governor favors without reservation repeal of the present contingent diversion provision of the Revenue act, and likewise favors the exemption of all ar-

Taxes, Retirement Program, Reapportionment and Job Changes to Hold Center of Interest on North Carolina Stage.

Raleigh, Jan. 1.—(AP)—Taxes, retirement programs, reapportionment and job changes will hold the center of North Carolina's stage quickly now with the advent of a new year.

Governor-elect J. M. Broughton, who will be inaugurated January 9, is putting the finishing touches on his inaugural address and Governor Roper is closing up the last details of his administration.

The new governor will outline his program to the legislature in its broad details in his inaugural. Then about January 13 or 14 he will present his budget message.

Unless the omens are all wrong the legislature will be asked to remove the three percent sales tax from a number of additional specific items

(Continued on Page Three.)

articles of food for home consumption from the sales tax.

The latest Broughton expressions on both subjects, however, leave more than a little doubt about these conclusions which have been so blithely drawn.

Mr. Broughton now says he favors no sweeping and generic sales tax exemption for all kinds of foods. He does say he believes certain articles of food should be exempted specifically and by name; but he does not go into the business of naming which names he would name as exempt; thus leaving him a wide latitude to

(Continued on Page Three.)