

Henderson Daily Dispatch

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

TWENTY-EIGHTH YEAR

LEASED WIRE SERVICE OF THE ASSOCIATED PRESS

HENDERSON, N. C., THURSDAY AFTERNOON, APRIL 24, 1941

PUBLISHED EVERY AFTERNOON EXCEPT SUNDAY

FIVE CENTS COPY

New Tax Proposal To Congress

Nazi Stukas Rain Death On Transports

Seek Solution to Coal Tieup



L. Ebersole Gaines (left), chairman of the Southern Coal Operators, John R. Stedman, chief of the Federal Conciliation Service, and John L. Lewis (right), United Mine Workers president, resume discussions in New York for reopening the nation's soft coal mines. Southern soft coal operators returned to New York at President Roosevelt's insistence they resume discussions with union representatives.

Rear Guard Defense At Thermopylae

Fall of Athens and End of 19-Day Old Battle of Balkans Appears Imminent; Nazis Claim 160,000 Tons of Ships Sunk.

(By The Associated Press.)
British expeditionary troops were reported still fighting desperately today in the Thermopylae sector, 100 miles north of Athens, in what was apparently a rear guard action to check Germany's blitzkrieg armies until the main body of the BEF has embarked from southern Greece.

German aviators described scenes of the wildest confusion as Nazi Stuka dive-bombers rained death and destruction on troop-jammed British transports.

Berlin sources asserted that at least 160,000 tons of ships had already been sunk, and an official Greek communiqué acknowledged that assaults by waves of screaming Stukas had inflicted "considerable damage to ships and other installations."

While the fall of Athens and the end of the 19-day old battle of the Balkans appeared imminent, authoritative quarters in London insisted that BEF troops were clinging stubbornly to defense positions in the Thermopylae zone.

It was in this historic sector, the scene of bloody strife 2,400 years ago, that the Germans claimed yesterday their panzer columns had smashed the British rear guard and plunged on toward Athens.

A British spokesman declared that reports the British flank had been turned were without basis. He said it was "very doubtful" too, that the Germans had seized the island of Lemnos, near the Turkish-controlled Dardanelles.

Hitler's high command gave few details of the climactic struggle and made no claims to a major drive through the allies' "last ditch" defenses.

"In a fight with British rear guards, we succeeded in breaking into Thermopylae positions, which were situated in especially favorable terrain," the German communiqué said.

"Between Larisa and Lamia, 30 British tanks were captured." A Nazi spokesman yesterday had asserted that the Germans "annihilated" the British rear guard.

British middle east headquarters in Cairo reported tersely that "air" troops "yesterday were in contact with the enemy, but no important engagements took place."

Even though reports in London said the pace of the motorized Nazi drive had slackened, Britain waited impatiently for word of the Grecian front and was prepared to hear the worst.

Already lost were all of northern Greece and Greece's northwestern army of about 250,000 men which had accepted unconditional surrender under the combined might of Germany and Italy.

The Bosphorus and Dardanelles—vital straits between the Black and Mediterranean seas—loomed possible as the next axis objective.

No Jobs Now At New Base

Jacksonville, April 24.—(AP)—Jack L. Blythe, of Blythe Brothers Company today urged workmen hoping for jobs on the \$14,575,000 Marine base to be built near here not to come here looking for work until a call is made for their services.

"We are not set up yet," Blythe said, "and we will not be able to employ people until we are."

When labor is needed, he added, a call will be sent out.

Nazi Warships Believed Damaged

London, April 24.—(AP)—The 26,000-ton German battleship Scharnhorst is "believed" to have been put out of commission "for some months" and her mate, the Gneisenau, also has been damaged in recent British raids on Brest, the Press Association, a British news agency, said today.

"There is reason to believe that during the intensive RAF raids at Brest both the Scharnhorst, which was in dry dock, and the Gneisenau

(Continued on Page Eight)

Johnson Reports Improved Prison Conditions During His Four-Year Regime

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

Raleigh, April 24.—North Carolina in recent years has developed a modern and improved prison system to the point where it is now regarded by prison authorities of the nation as among the best. This in sharp contrast to their opinion a few years ago, Robert Johnson, director of the penal division, said in making a roundup report to the Highway Commission of the four years he has been in charge of the division.

"Today we are receiving favorable publicity and are regarded by the prison authorities of this country as having made more progress than any other southern system and probably more than any other system in the country within the past few years," he said in summarizing the outside view.

The Johnson report, prepared at the request of D. B. McCray, acting head of the highway commission until it was revamped by Governor J. M. Broughton last week, covers a wide variety of topics and gives much data on prison activities.

The director, who himself will soon be shifted to another field of state activity as chairman of the ABC board, more or less summed up what he views as his chief accomplishment in the report's opening paragraph:

"Four years ago this department was in a chaotic condition. There was friction everywhere. There was a nervous tension and feeling that something was liable to happen at any moment. This not only applied to the personnel but to the inmates. All of this has disappeared and at

(Continued on Page Two)

EXTENSION OF DEFENSE ZONE SAID PLANNED

"Tiger's" Grandson



Mrs. Pierre B. Clemenceau, wife of son of late French premier, the World War "tiger of France" arrives at New York. The young mother, a native of New Orleans, said she had fled from Bordeaux to Marseilles to Dakar, Africa, then to the air base at Boloma where she boarded the transatlantic plane for the U. S.

Mayor LaGuardia, in Speech at Ottawa, Says Provision Made For Offshore Defense Beginning 1,000 Miles at Sea.

Washington, April 24.—(AP)—A major extension of hemisphere defense strategy—the patrol of the North Atlantic highway to Europe—was reported being planned today by the joint command of the United States Navy.

The extension, such a broad security zone might have the incidental effect of relieving some of the strain on part of Britain's most important supply line but in the absence of details, the full significance of such a policy was a moot question.

Officials here gave no encouragement to the reports of the widened defense patrol, but the intimated quarter where they originated cited the statement of New York's mayor Fiorello LaGuardia that provisions had been made for offshore defense beginning at a line 1,000 miles out to sea.

LaGuardia, speaking as chairman of the joint U. S.-Canadian defense board, made his assertion during a address at Ottawa yesterday. The circumstances led to the belief here that he spoke with White House approval.

It was pointed out that LaGuardia made a hurried visit here Tuesday for a conference with President Roosevelt before departing for Canada. It was likewise considered important that before making his address at Ottawa he was quoted as saying it would contain a line "giving the whole answer" to the question of how far the United States would go in conveying war supplies to Britain.

LaGuardia would not amplify the statement the Canadian press reported, but emphasized later that the new defense limits should be very important.

The reaction in some Canadian circles was that LaGuardia was forecasting the start of U. S. convoys as far as the mid-Atlantic. This would permit the release of British empire naval units now doing convoy duty in the western half of the North Atlantic and thereby reinforce the flotilla operating in the eastern half where most shipping has been lost.

More Plants Projected

Contract Negotiations Expected Within Two Weeks on Huge Building Program.

Washington, April 24.—(AP)—A vast new program of defense plant construction and expansion to cost approximately \$1,599,000,000 has been drafted by the War department, it was learned today, and is expected to reach the stage of contract negotiations in two weeks.

Almost doubling the \$1,750,000,000 of defense plant construction already under contract the new program is designed to:

1. Increase defense production capacity to the point where it will supply full combat requirements for an army of 2,000,000 men, plus so-called "reserve" or basic units for a force twice that size. Previous plans were based on furnishing full equipment for 1,400,000 men plus "reserve" items for 2,000,000.
2. Substantially boost the capacity for turning out munitions under the British, particularly long range bombers. Experts say Britain must have such plants in great number, if she is eventually to start sending great quantities of war material to Germany.

The new program was understood to be awaiting approval by the Office of Production Management and, after that, by the President.

In authoritative quarters it was reported to call for construction of upwards of thirty ordnance factories, expansion of at least three existing bomber engine plants and dozens of other types of defense factories; construction of two new bomber engine engine factories, and the construction of two new bomber engine "reservoirs." The latter term would cover either new plants or the conversion to engine manufacture of plants which now produce some other type of equipment.

The program would be financed partially by funds recently allocated by President Roosevelt from the \$2,000,000,000 lease-lend appropriation and partially by construction and expansion funds given to the Army directly by Congress.

WEATHER FOR NORTH CAROLINA.

Cloudy, showers in east and southeast portions tonight and in east portion Friday; cooler in east portion tonight and on southeast coast Friday.

U. S. Aide Killed



Col. Gerald Brover

Serving as American military air observer with the British Royal Air Force in the Middle East, Col. Gerald Brover was killed at El Ghadi, 250 miles southwest of Khartoum, Egypt. No details were revealed, but it was assumed he was killed while observing action between the RAF and Axis air forces.

Morgenthau Says People Prepared

"American People Are Willing to Pay That Price" for Living in Free Land, Treasury Secretary Declares to Congress.

Washington, April 24.—(AP)—Secretary Morgenthau asked Congress today for \$3,500,000,000 in new taxes, greater defense production, reduced non-defense spending, and safeguards against profiteering.

"We are faced with a greater challenge than any in the history of the republic," the Treasury head told the House Ways and Means committee. "It calls for a much greater response than has yet been made."

"The American people are prepared to make such a response and to make it willingly."

"How much is it worth to be a free man living in a free land? The American people are willing to pay that price."

Morgenthau made no specific recommendations about how the new taxes should be raised in his formal statement. He said others would present the Treasury's viewpoint.

These treasury proposals have been reported at the Capitol to provide steep increases in income surtaxes which may force many persons to pay six times as much income tax as before, and also to put either new or additional taxes on soft drinks, liquor, cigarettes, gas, and many other commodities.

"Termining the proposed tax increase 'unprecedented,' Morgenthau said 'the new taxes will mean a small price to pay' for the security of the nation to be insured by the defense program."

Together with existing taxes which make the nation's total federal tax bill in the next fiscal year (beginning July 1) about \$12,000,000,000, the secretary said "we shall find ourselves spending less than 15 percent of our national income for the national safety."

Morgenthau described the new tax program in these points:

"First of all, it presents a method of paying as we go for a reasonable proportion of our expenditures."

"Secondly, it is destined so that all sections of the people shall bear their fair share of the burden."

"Third, it will help to mobilize our resources for defense by reducing the amount of money that the public can spend for comparatively less important things."

"And finally, it is designed to prevent a general rise in prices by lessening the source of monetary purchasing power from outrunning production."

Railway May Stop Trains

Southern Says Service Might Be Suspended to Conserve Diminishing Coal Supply.

Richmond, Va., April 24.—(AP)—The Virginia State corporation commission said today that the Southern Railway had notified it that 40 local passenger trains in the South might have to be suspended to conserve its diminishing coal supply.

The commission immediately dispatched telegrams to Virginia's congressmen, calling attention to the "serious situation" resulting from the work stoppage in the soft coal mines.

"The Southern Railway has advised us," the telegram said, "of the necessity of eliminating passenger service on two of its lines in this state and on various other lines throughout the South because of inability to get coal. Unless this situation can be quickly remedied, no

(Continued on Page Eight)

Babson, Still Optimistic As To War Outlook, Says Oil Will Win For Britain

BY ROGER W. BABSON.
Copyright 1941, Publishers
Financial Bureau, Inc.

Babson Park, Mass., April 24.—So many columnists are commenting on the war news, that it all behoves me to "blurt" it, however, to wish to remind readers that food and oil may be the deciding factors—especially oil. Germany really went to war to secure independent oil supplies for herself. If she succeeds in doing so, she will have won and be willing to quit. If she does not succeed, in time, she will be licked. It makes no difference how many thousands of planes, tanks, and submarines Germany has unless she has the oil needed to operate them efficiently.

Germany Has Won Little Yet.

The unthinking public believe that—thus far—Germany has won great victories. They point to the conquest of Czechoslovakia, Poland, France, Belgium, Holland, Norway, Bulgaria and Rumania. With the exception of the last none of these are oil-producing countries. Therefore, they really are a drag upon Germany's oil supply. In fact Germany is practically out of oil today from oil except from Russia and Rumania. Italy, Spain, and other European countries are helpless to supply Germany with oil.

Italy has not been defeated in battle either on land or sea. She has lost only about 15 per cent of her navy, tanks, and planes. The reason Italy is doing so little is because of her lack of oil. The "control" of the Mediterranean means the control of the axis's oil supply. So long as

Great Britain and her allies can shut off Germany's oil supply, Germany is headed for defeat. Considering the oil Germany has on hand and the oil she would need to win, it is very doubtful position during 1942 unless the British through to Russia and the oil fields of the Near East. This is a hard nut to crack. The only way Germany is making from various coal products.

Watch Russia and Japan.

Just now Russia is the uncertain quantity. Russia has a fair oil production and has been sending some oil to Germany, but Germany has not been getting as much oil as she needs. Russia, however, is in a fix. She does not want Germany at her side to win the war. But Hitler knows that if she shuts Germany off of oil altogether, then Germany would turn her great war machine on Russia and probably make Russia give her oil.

The trouble in the Pacific is also a struggle for oil. So far as land is concerned, Japan has already conquered far more than she can use or digest. It is the oil of Borneo and Sumatra which Japan really wants. Germany has promised to divide this with Japan if Germany was the war. It is oil which the foreign minister of Japan recently discussed with Hitler, Mussolini, and Stalin.

Oil From South America.

Oil is at the bottom of our "friendly neighbor" policy with Mexico and other Latin American countries. We have no real love for them, nor have

(Continued on Page Eight)

Churchill Delays Talk

For Second Time in Three Days, Prime Minister Asks Postponement of War Debate.

London, April 24.—(AP)—For the second time in three days, Prime Minister Winston Churchill asked parliament today to postpone a debate on the war, but hinted that he might make a broadcast on the Greek campaign in the meantime.

The prime minister volunteered the remark that he was aware the House expected a debate on the war, and said it would be held "at the earliest moment which enables the government to give a full and reasonable account of what has taken place."

He warned that "serious responsibility rests on the government in taking any course or making any statement which might prejudice the success of the British, Australian, New Zealand and Greek soldiers who at this time are in close contact with the enemy."

He gave the hint of a possible broadcast in replying to a member who cited the broadcast of Prime Minister Robert G. Menzies of Australia two days ago.

Churchill said, "I have been thinking whether I might not make some statement of a general character, but

(Continued on Page Two)