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Russia Launches Air Offensive

Roosevelt Will Not Proclaim Neutrality

U. S. Ships Could Carry Aid To Reds

Acting Secretary of State Welles Announces That Neutrality Proclamation Is Not Necessary in Russo-German War.

Washington, June 25.—(AP) President Roosevelt does not intend to issue a neutrality proclamation in the Russian-German war, Acting Secretary of State Welles announced today. American ships thus will be permitted to carry arms to Russia's Pacific ports of Vladivostok.

The United States thereby will take the same position with reference to the Russian-German war as it has maintained during the long undeclared war between Japan and China.

Welles noted that under the neutrality act a neutrality proclamation is called for when the President or Congress "shall find that there exists a state of war between foreign states and that it is necessary to promote or preserve the peace of the United States or to protect the lives of citizens of the United States."

The acting secretary then stated that President Roosevelt had authorized him to announce that inasmuch as he finds that a proclamation is not necessary in the present instance to promote the peace of the United States or to protect American citizens, the President has no intention of issuing such a proclamation.

Asked what effect this would have regarding the transport of arms to Russia in American ships, Welles explained that combat ships already established by the President do not include the Pacific ocean.

Tobacco Firms Show Records

Lexington, Ky., June 25.—(AP)—Opposing counsel in the tobacco anti-trust trial agreed today to production in court of approximately 35,000 defendant company buying reports to eliminate individual identification of the reports by witnesses. Attorneys hailed the move as a great time saver in the prospective months-long trial of the leaf industry's "big three" on monopoly and price fixing charges.

The records produced by the "big three" in response to government subpoenas include the daily reports of leaf purchases on 41 burlap and 75 blue-cord market by American, R. J. Reynolds and Liggett and Myers Co. buyers.

British Loan Considered

Huge Loan to "Provide British With Dollar Exchange" Studied by Federal Agency.

Washington, June 25.—(AP)—Jesse Jones, federal loan administrator, announced today he was "considering a loan to the British government." Jones said in a formal statement that the loan is being studied by the Reconstruction Finance Corporation under a new law authorizing such a loan and added that "the purpose of the loan would be to provide the British with dollar exchange to pay for war supplies in this country without having to sell their American securities."

Gets New Post



Maj. Gen. William J. Donovan

President Roosevelt has commissioned William J. (Wild Bill) Donovan of New York as a Major General to supervise American Military Intelligence and to ally it with the British Secret Service. Donovan has served for months as Navy Secretary Knox's emissary on secret missions abroad.

Four Named To Ag Board

Governor Broughton Makes Appointments; Will Name Special Judges This Week.

Raleigh, June 25.—(AP)—Governor Broughton today appointed four members of the State Board of Agriculture and announced that he would name eight special superior court judges either tomorrow or Friday.

Named to the Board of Agriculture were Senator W. Ballentine of Wake county, Representative L. L. Eakin of Henderson county, Miss Ethel Parker of Gates county and Representative J. Hawley Poole of Moore county.

Members of the agriculture board whose terms have not expired include Lionel Weil of Goldsboro.

T. Boddie Ward, head of the new motor vehicle department, announced that W. H. Rogers, Jr., of Raleigh had been named his deputy commissioner. Governor Broughton said the salary had not been fixed but probably would be about \$4,800.

Rogers, as assistant division engineer of the state highway department, had been Ward's assistant, stationed in Wilson, when Ward was a member of the highway commission.

Governor Broughton announced "with regret" the resignation of G. V. Cowper of Kinston as a special judge. Cowper will retire because of ill health, but under the judges' retirement law will continue on the state payroll as an emergency judge.

Defense Funds Recommended

Washington, June 25.—(AP)—An \$897,003,925 deficiency appropriation including funds to give the Navy 2,236 additional airplanes and 19 more auxiliary ships was recommended to the House today by its appropriations committee.

The measure, a "catch all" money bill for the fiscal year ending June 30, also carried funds for almost a score of governmental agencies, such as \$36,500,000 for the office for emergency management and \$51,031,430 for the coast guard—the latter allotment including money for replacement of the ten Coast Guard cutters transferred to Great Britain.

A total of \$54,265,000 was recommended for the Navy for the establishment or expansion of shore facilities including new blimp bases at Elizabeth City, N. C., and South Weymouth, Mass., and ten auxiliary blimp bases.

Russian Aid Possibility Surveyed

United States Defense Officials Study Means of Immediate and Effective Help Which May Be Provided for Russia.

Washington, June 25.—(AP)—In line with President Roosevelt's pledge of all possible assistance to the Red Army, defense officials today instituted a quick survey to determine what immediate and effective aid could be provided for Soviet Russia.

The expectation was that Soviet overtures for help would not be long in materializing after Mr. Roosevelt's voluntary statement at his press conference yesterday promising whatever aid that could be given.

When he made the promise, the President emphasized that the Soviet had not yet made any request for help. He intimated, however, that since the United States also opposed Nazi aggression this country was prepared—if and when asked—to provide Russia with everything the nation's productive capacity can supply after meeting prior defense and lease-lend commitments.

The President's pledge was immediately implemented when the Treasury department ordered a release of between \$50,000,000 and \$100,000,000 in Russian assets here which have been "frozen."

Mr. Roosevelt likewise indicated that henceforth the Soviet would have no difficulty in obtaining export licenses for all war munitions and supplies which can be spared. The big question here was what could be spared. The outlook here was dubious and beset with difficulties.

Officials pointed out that Russian requirements probably would parallel those of Britain, China, the other American republics and America itself.

FORD TO OPERATE BOMBER FACTORY

Washington, June 25.—(AP)—The defense plant corporation announced today it would build a \$17,620,171 bomber factory at Ypsilanti, Mich., to be leased to and operated by the Ford Motor Company.

This factory was understood to be an important part of the Army's new plan to construct facilities to build 500 bombers a month.

Fewer Strikes Predicted

Washington, June 25.—(AP)—Defense officials predicted today that one by-product of the Russo-German war would be an end to communist-inspired strikes in United States defense industries.

Communist leaders, these officials said, must now conceive their interest to lie with the opponents of Germany, whereas until the Nazi thrust into Russia last week-end exactly the reverse was true.

One authority forecast that not only would communists cease strike agitation but that they would go to the other extreme to speed up production of armaments. "They undoubtedly will begin to argue," he said, "that workers unwilling to put in 65 hours a week are unpatriotic and fascistic."

In the past several months, as defense production moved toward record levels, various strikes including the North American Aviation walkout at Inglewood, Cal., had been blamed by legislators on communist elements among union leaders.

What officials say they fear most is the possible result of a German victory and the subsequent creation of a Moscow government as much under Nazi domination as the Vichy government of France.

Radiophoto of First Russian Prisoners



According to the official German caption with this photo, flashed by radio from Berlin to New York, the first Russian prisoners taken in the German-Soviet war are shown at left on the way back of the German lines to concentration camps. Their hands are on their heads in token of surrender. At right, German soldiers move forward in their invasion of Russia.

Finland Enters War

On the Eastern Battlefront



This map shows the huge new warfront, extending 1,700 miles from the Baltic to the Black Sea, along which the Nazi and Russian armies are locked in combat. The southern invasion move would give Hitler control of the Soviet "bread basket" in the Ukraine (1). Lithuania (2), which Russia had incorporated with Latvia and Estonia as a buffer against Germany, is reported to have declared its independence. No. 3 shows the Karleian Isthmus, another point of attack, possibly with Finnish aid. (Central Press)

Settlement of Mine Dispute Is Expected

BRITISH PROTEST DEMONSTRATION

London, June 25.—(AP)—The British government is energetically protesting against a riot outside the British embassy in Madrid, it was announced today.

Authoritative quarters declared the disturbance, involving between 300 and 400 men wearing falangist uniforms, "was carefully organized and staged by Germans."

"The object was to provoke bad relations between Great Britain and Spain," these quarters said, adding that British Ambassador Sir Samuel Hoare had taken up the matter with the Spanish government while Foreign Secretary Anthony Eden protested to the Spanish ambassador in London.

WEATHER FOR NORTH CAROLINA.

Cloudy tonight with showers along the southern border; Thursday partly cloudy, rising temperatures.

CIO Union Strategists Believe Southern Mine Labor Contract Before July 7 Deadline.

(By The Associated Press) Strategists of the CIO United Mine Workers appeared confident today that seven Appalachian soft coal producers would accept the union's proffered two-year labor contract before a July 7 deadline and thereby avert a threatened tieup of the mines.

After the United Mine Workers policy committee served notice yesterday of the deadline, John L. Lewis, miners' chief, told reporters that twelve of the 13 operators associations which make up the southern producers wage conference had "acquiesced" in the contract with only the Harlan county, Ky., coal operators association declining to meet the union's terms.

Eleven San Francisco Bay ship-

Helsinki Is Raided

Authorized German Spokesman Declares Finland Has Formally Declared War.

(By The Associated Press) Finland was reported to have joined Germany in the war against Russia today, after Soviet planes raided Helsinki and southern Finland in reply to German raids that were reported to have left Leningrad in flames.

An authorized German spokesman in Berlin said Finland had formally declared war and that fighting was going on in full force.

Many Finnish civilians were reported killed and the city of Lappeenanta set afire.

A military spokesman in Berlin declared German successes "baffling the imagination" were achieved in the first days of the war on Russia and would be announced tomorrow.

Italians Raid African Bases

Rome, June 25.—(AP)—Italian high command reported today that recent torpedoes launching planes had attacked British naval ports off the North African coast and had damaged a cruiser.

The attack took place between Sid Barrani, Egypt, and the Libyan port of Tobruk, where a British garrison is besieged by axis land forces, the communique said.

Axis planes also were reported to have bombed steamers in the harbor at Tobruk and blasted motor vehicles, anti-aircraft batteries and munitions dumps in that stronghold.

Italians acknowledged that British planes had raided the Italian North African bases of Bengasi and Tripoli on Monday night but did not indicate the results.

Old Aluminum Is Called For

Washington, June 25.—(AP)—Mayor Fiorello LaGuardia got going on his first assignment to duty as civilian defense coordinator today with a characteristically vigorous and unexpected call for a nationwide collection of scrap aluminum.

The New York executive broadcast a plea last night to citizens for contributions of everything from old pots and pans to washing machines and golf clubs and set a goal of 20,000,000 pounds—enough aluminum, he said, to provide for 2,000 fighter planes.

State, county and city officials aided by civic, patriotic and youth organizations will head up the campaign. Contributions will be called in on July 2.

Finland And Poland Bear Heavy Raids

Finland Makes Sharp Protest to Moscow; Germany Claims 'Great Successes' In Prospect in New Invasion.

(By The Associated Press.)

Russia launched a wholesale air offensive against Finland and German-occupied Poland today in blow-for-blow reply to German raids that were reported to have left Leningrad in flames and damaged several other cities.

Finland made a second sharp protest to Moscow against what it called the unprovoked attack and said the Soviet assertion that German troops had attacked Russia through Finland was "a deliberate lie."

Bombs fell in Helsinki twice and started a forest fire outside the city. Many other Finnish cities were reported attacked.

Finnish fighters and anti-aircraft guns resisted the raids and were said to have shot down eight Russian planes.

Germany announced the war was progressing so favorably that "great successes" were in prospect. Deep thrusts of German columns into Russian territory were claimed. Reports from Turkey said Russians were offering little resistance in the former Russian province of Bessarabia and that a German parachute division was in readiness to attack Odessa, Russian Black Sea port.

Germany told of heavy bombardment of Russian railways and air bases and German troops were said to have captured the former Lithuanian city of Vilna.

From the German high command communique issued again today, the "Fuehrer's headquarters" on the eastern front came the Nazis' confident forecast of success.

"In the east, flights of the army, air force and navy against Soviet armed forces take such favorable course that great successes are to be expected," the communique said.

The Russians acknowledged that they had been unable to halt three powerful German drives on the central and northern fronts. In the south, Ankara reports said German and Romanian troops had occupied Chernavtsi, capital of Bessarabia province, and Chisinau, capital of Bessarabia, both taken from Romania by Russian troops ago.

The Russians bombed Warsaw, Danzig and Constanta in Rumania to match German assaults on Ukraine cities and claimed they destroyed 283 German planes while losing 374.

Germany reported sinking two British freighters and setting big fires in Liverpool in raids against England which the British characterized as "light."

Britain kept up her heavy bombing of Germany and the German-occupied east in an attempt to relieve some of the Nazi pressure on her Soviet ally. Royal air force bombers followed up their 14th successive night raid on Germany with two sweeps across the channel today.

A heavy air offensive was said by the British to have paved the way for new advances of imperial troops attempting to sweep Syria from Vichy French forces. The British were said to be attacking within twelve miles of Beirut, Lebanon.

FLIERS KILLED.

Honolulu, June 25.—(AP)—Three United States Marine fliers were killed last night in the crash of their plane against the side of Hialehaka, huge extinct volcano mountain on the island of Maui during a formation flight.

Japan Debates Future Course

Tokyo, June 25.—(AP)—Japan's leaders debated in two anxious secret sessions today the empire's course in the new situation arising from Germany's invasion of Russia, and Premier Prince Konoe later laid the results of the two meetings before Emperor Hirohito.

In some informed quarters it was believed a decision was reached but there was no inkling of its nature.

Sources close to the government indicated that a statement on imperial policy might be issued tomorrow, giving some indication of how Japan will deal with the war between her ally of the three-power treaty and the Soviet Union, with whom she has a neutrality treaty.