

Henderson Daily Dispatch

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HENDERSON, N. C., TUESDAY AFTERNOON, AUGUST 5, 1941

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FIVE CENTS COPY

U. S. WARSHIPS TO AUSTRALIA FOR 'TRAINING'

(By The Associated Press.)
Belief grew in Manila today that Britain was making preparations for a swift move to control the key points of Thailand, even as United States warships arrived in Australia on a "training" cruise.
Without reference to the Far East crisis, the Navy said the U. S. heavy cruisers Northampton and Salt Lake City had arrived at Brisbane "for refueling and several days recreation" for the ship's crews on a cruise to the South Pacific ocean.
Those circles declared that the British might even move before Japan had actually encroached on Thai territory, possibly seizing Bangkok, Thailand capital, and Kra Isthmus ports.
These developments came shortly as tension heightened in the Orient over reported massing of Japanese troops at Russia's Siberian back door and the continuance of Japanese pressure on Hainan Island.
Coincidentally, the British announced officially that large numbers of British and Indian troops, including royal air force personnel, had arrived at Singapore.

Dispatches from Saigon, French Indo-China, said a large and well equipped Chinese army was reported massed on the Burma border ready to cross at a moment's notice to join British forces presumably against any Japanese attack against British Burma or Malaya.
Hourly it appeared that an "explosion" in the Far East was drawing nearer.
Reports from Bangkok, Thailand, said that officials would not deny that Japan was applying pressure for the granting of certain demands and that Thailand was facing momentous decision in her relations with Japan, Britain, and the United States.
London reports have said the Japanese were demanding air bases in Thailand within 100 miles striking distance of Britain's great citadel of Singapore.
A Japanese newspaper, by contrast, asserted that Thailand was "under merciless pressure" by the United States and Britain.
A Japanese spokesman admitted that Japanese and Russian troops had clashed on the Manchukuo-Siberia frontier.

At Georgia-Florida Leaf Market Opening

Prices Cheer Growers

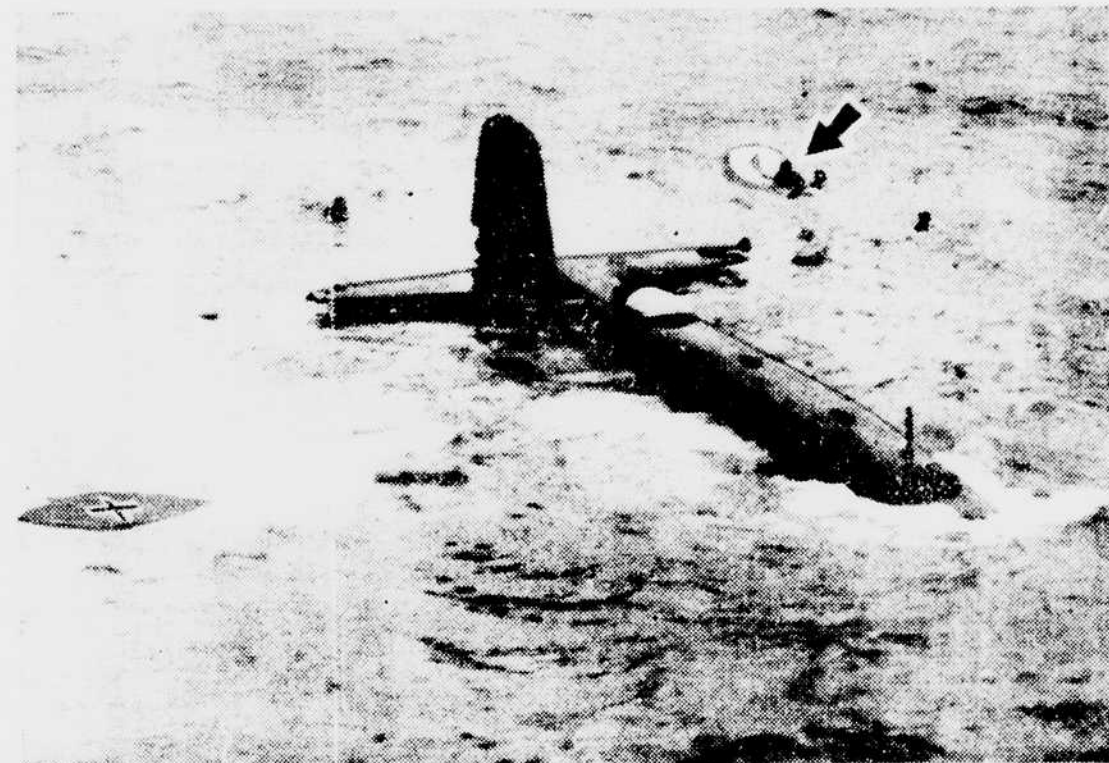
Nazis Penetrate Soviet Defenses

Reds Admit Reverses On Two Fronts

Berlin Reports 45-Day Old Conflict Developed into Two Vast Battles of Annihilation, in Ukraine and in Smolensk Area

(By The Associated Press.)
German panzer forces have driven a new 70-mile-deep salient into the heart of the Soviet defense system between Moscow and Leningrad, the Russians acknowledged today, and Berlin reported that the 45-day old conflict now had developed into two vast battles of annihilation.
Nazi military dispatches said the encirclement and destruction of large Red army forces south of Kiev, the Ukraine capital, was well under way and indicated that a cleanup in the bloody Smolensk sector, 230 miles west of Moscow was in its final stages.
Adolf Hitler's field headquarters reported that Red army units attempting to smash their way out of a trap in the Ukraine had been "annihilated."
The communique also declared that in a widening breakthrough about 60 miles southeast of Smolensk a new enemy power group was partly annihilated and partly encircled.
The new German thrust limited to the vicinity of Khloin, in the marshy 70-mile east of last week's battlefield at Novozhev, a Red army bulletin admitted Khloin lies 180 miles south of Leningrad and

Nazi Bomber Shot Down in Battle of Atlantic



This four-engined Nazi Folke-Wulf Kurier was about to attack a British convoy in the Atlantic when an American built Lockheed Hudson of the RAF coastal command came on the scene. At point-blank range, the British plane shot down the Nazi raider. Photo above shows the bomber's crew swimming to their dinghy (arrow). The downed fliers were saved. (Central Press)

20-30 Cent Price Range Indicated

Prices Paid for Similar Grades Believed To Be Higher This Year Than Last; Small Offerings Reflect Reduced Yield.

Valdosta, Ga., Aug. 5.—(AP)—Strong bidding for high grade tobacco cheered growers of the bright leaf crop in the Georgia-Florida belt today, buyers frequently going above 30 cents a pound for baskets of top quality leaf.
Reports from many of the warehouses in the 17 Georgia and Florida market centers compiled for the Associated Press indicated the bulk of the tobacco sold today went in the range between 20 and 30 cents. Some bids were as low as a cent a pound but others went as high as 34 cents.
J. E. Laddon, Jr., a warehouseman at Moultrie, said grades which sold last year at 26 and 27 cents were moving this year at 30 and 34 cents, while leaf selling for 22 cents a year ago was now selling for 29 cents at today's market.
Sustained bidding at levels which prevailed opening day would push averages well above the 1940 minimum set by the Department of Agriculture as a price guarantee to help growers, tobacco buyers said.
Tops of 34 and 35 cents, 32 at Valdosta and 34 at Tifton marked the reports on the first rows sold.
At Dalton, W. K. Scatter, sales representative, said 100,000 pounds had been moved by noon, mostly in the 24 to 28 cent bracket and ranging from 3 to 35 cents.
Throughout the belt warehousemen reported less than usual congestion on the floors, reflecting the reduced yield caused by bad weather and plant diseases which caused official estimates to drop to 60,000,000 pounds or less.
Valdosta, Ga., Aug. 5.—(AP)—Bright leaf tobacco began selling on the Georgia-Florida auction markets today at prices ranging above 30 cents a pound for best grades.
Poor quality tobacco in the first rows went as low as 3 cents a pound.
Warehouseman L. C. Pruitt said the first row sold at Waycross at prices ranging from a minimum of 2 cents to a top of 34 cents.
At Vidalia, Warehouseman Meadows announced a range of 2 to 31 cents for the first row sold.

Colombia Thwarts Totalitarian Move

Undisclosed Number of Persons Detained and Quantities of Documents Seized in Investigation of Subversive Activities

Bogota, Colombia, Aug. 5.—(AP)—Colombia has joined the growing list of Latin American countries taking action against anti-democratic activities by announcing that an attempt to infiltrate the army with totalitarian ideals had been nipped.
Disclosure of an undisclosed number of persons—official estimates ranged from 40 to 200—and seizure of quantities of documents were announced last night by War Minister Castro Martinez in connection with an investigation into alleged subversive activities.
The Bogota radio charged that Nazi elements were behind the movements. There were rumors that at least one German was among those detained, but the German legation denied any German nationals were being held.
Disclosure of the government investigation followed by two weeks a message to congress in which President Eduardo Santos bitterly assailed Hitler and said Colombia's position as a neighbor of Panama included her to see that the Panama Canal is never menaced from her territory.
In his formal announcement the war minister acquired the notion that the situation was completely in hand and said there was no cause for anxiety.

Acts for Halifax



Sir Ronald Ian Campbell

British Minister Sir Ronald Ian Campbell shows pass permitting him to leave customs room to a guard at LaGuardia Airport, New York, as he arrives in U. S. He said he would act for Lord Halifax in the absence of the British ambassador. (Central Press)

FDR Meets Commander of Atlantic Fleet

Washington, Aug. 5.—(AP)—President Roosevelt and Rear Admiral Ernest J. King, commander of the Atlantic fleet, talked over naval matters today as the yacht Potomac moved through north Atlantic waters to an undisclosed destination.
News of their discussion came from the Navy department in the release of a message from the president's board Saturday at New London, Conn., for a vacation cruise.
Strict secrecy has been enjoined for movements of the boat and only government dispatches of the first importance are being relayed to it. Presumably Admiral King's flagship met the Potomac at sea and the admiral boarded the yacht for the talk.

Ickes Checks Gas Station Curfew Results

Washington, Aug. 5.—(AP)—With filling station hours cut in half Secretary of the Interior Ickes watched reports closely today to see if curfew motorists were reducing their gasoline consumption as much as one third.
If the nightly blackouts of gas sales do not bring about the desired conservation of motor fuel, he warned, more drastic steps will be taken. Whether the next steps would involve rationing was not announced.
Complete reports of yesterday's gasoline sales were lacking, but Ickes turned the general result of the first filling station curfew Sunday night "very satisfactory." Nevertheless, he said there were some cases of non-compliance with the blackout request which would be followed up.
The gasoline conservation program affects all or part of 17 states and the District of Columbia and was instituted as the result of a transportation problem arising from the transfer of a group of American tankers to Britain.
In some parts of the east final reports of Sunday's gasoline sales were expected to show an upward trend.

U. S. Pledges Aid To Reds

Washington, Aug. 5.—The United States backed Russia against Nazi Germany today with a formal pledge of "all economic assistance practicable"—an undertaking that may bring fresh complications in relations with Japan.
The assistance would be in military supplies and implements of defense even though the Japanese counter-press in recent weeks has been printing veiled warnings against routing of such shipments across the Pacific to the Russian Siberian port of Vladivostok.
Indications that such a route would be used were seen in the state department's announcement that "favorable consideration" was being given Russian requests for extension of available American shipping facilities to expedite the shipments.
The neutrality act combat zone blocks off Soviet European ports to American shipping.
The formal undertaking to supply economic aid was set forth last night in an exchange of diplomatic notes connected with the renewal of the annual Russo-American trade agreement.

PRICE FIXING URGED

Tax Bill To Senate

Washington, Aug. 5.—(AP)—The huge \$3,200,000,000 defense tax bill, which would give the government its largest cut of the national income, went to the Senate today pending a House approval, but almost immediately there was talk that it might yet undergo major revisions.
It passed the House by the bipartisan vote of 369 to 30 late yesterday after it had been stripped of a provision exempting all married persons to the total income tax returns. This provision had been counted on to bring about \$323,000,000 in additional revenue by compelling many married persons to pay higher taxes.
Members of the WAYS and means committee were joined by other legislators in warning that further increases in individual income taxes would be necessary to make up the lost revenue.
At the other end of the capital, Chairman George Democrat, Georgia, (Continued on Page Three.)

Gunmen Make \$76,000 Haul

Stroudsburg, Pa., Aug. 5.—(AP)—Three gunmen held up two employees of the Stroudsburg First National Bank on a street today and robbed them of a haul that State police said contained approximately \$76,000 in old bills. The trio escaped in a black sedan.
The money was being taken from the bank to the post office for return to the Federal Reserve Bank in Philadelphia in exchange for new currency.

Inflation Is Feared

Washington, Aug. 5.—(AP)—Leon Henderson, head of the office of price administration, told Congress today that the nation faced the "strongest and most pronounced increase in the cost of living" even if the administration's price control bill became law immediately.
Testifying before the House Banking committee, Henderson declared that even with the passage of the bill would have an "inflationary" effect by "dynamic" selling economy, and "entirely an inflationary" one.
Using a series of large charts to illustrate his remarks, Henderson said the nation's price structure was "knocking at the door" of 1929 levels and heading toward the 1919 peak.
The bill would give the president broad power to control selling prices for commodities, but not salaries and wages, and for services, and for the cost of services.
It would not prohibit the lowering of prices.

Major Revisions Possible in Upper Chamber; Joint Return Provision Removed

Washington, Aug. 5.—(AP)—The Senate today rejected a House-approved bill that almost immediately there was talk that it might yet undergo major revisions.
It passed the House by the bipartisan vote of 369 to 30 late yesterday after it had been stripped of a provision exempting all married persons to the total income tax returns. This provision had been counted on to bring about \$323,000,000 in additional revenue by compelling many married persons to pay higher taxes.
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Railroads Reject Union Wage Demands

Chicago, Aug. 5.—(AP)—The railroad unions' demand for wage increases were rejected today by the carriers' representatives in a meeting in Washington, and there is talk in political circles that the carriers would be willing to pay the proposed wage increases.
Speakers for the carriers said and figured that all wage increases granted would add \$800,000,000 a year to the national income.

Henderson Says Nation Faces Increased Cost of Living Even With Control

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State Advertising Brings In Results

Daily Dispatch Bureau, in the Sir Walter Hotel, By HENRY AVERILL.

Raleigh, Aug. 5.—Reports of unprecedented heavy tourist travel in all sections of North Carolina indicate that this state is beginning to cash in on its advertising campaign started when the 1937 legislature appropriated \$125,000 annually to tell the world about Tar Heel attractions and advantages.
It is impossible, of course, to tell how much of the tourist invasion is due to the effects of the current world war and how much can be attributed to the advertising that has been done; but it is indisputable that the program has enabled the state to take better advantage of the fortuitous circumstances which have arisen.
However the credit is to be divided, here are facts showing that results have been achieved. In 1936 the Tar Heel tourist trade was valued at \$25,000,000, in 1937 at \$64,000,000, and last year at \$100,000,000. This means an advance of 400 per cent in five years.
On another side of the picture 239 new industries located in the state during the 1920-30 boom and 234 additions were made to existing plants. The state pay roll increased by something like \$19,000,000 a year.
Here again there is no denying that the campaign has played its part as the industrial expansion has been located in industries in states which did not have them before.
From the inception of the successful advertising campaign in 1936, until the coming into operation of the current campaign, the state's principal emphasis was put on the tourist promotion end, with advertising of the state stressing industrial opportunities as well.
In 1939 the legislature reduced the annual appropriation for \$100,000 which was maintained by this year's General Assembly. However, Governor Bragg, in his general advertising plan to a special session of the state legislature in Washington, and there is talk in political circles that former Representative Frank Hancock is to be put in charge of it at a later date.
North Carolina's efforts at advertising have been along the lines employed by a vast majority of the states. The promotional campaign has been modeled on a continuing basis along lines developed by private industry. Results of the carefully planned campaign during the Hoey administration under Joseph H. Rouse, Mount publisher, chairman of the advertising committee, are just beginning to become apparent. Because of the previously developed promotion program the

WEATHER
FOR NORTH CAROLINA.
Considerable cloudiness and (faded) warm tonight and Wednesday; scattered thundershowers Wednesday afternoon.
Extended weather forecast for the period from 6:30 p. m. August 5 to 6:30 p. m. August 9.—Near normal temperatures and scattered thundershowers are indicated for this district for the period.
(Continued on Page Three.)

Submarine Surrenders To Destroyer

London, Aug. 5.—(AP)—The surrender of a German submarine to the U. S. Navy today was the first of the war to be transferred to the United States by the announcement of its capture. The submarine was reported today to have been captured by the destroyer USS Bulldog and the corvette USS Albion, which with the Broadway and other warships was escorting a merchant convoy in the Atlantic.
The corvette released depth charges, this account said, while the Broadway and the destroyer Bulldog followed up the attack.
The submarine came to the surface and the Broadway, which was nearest, opened fire and prepared to ram it.
The crew then came tumbling out of the conning tower "with their hands held up in surrender," it was said.

Compromise Is Rejected

Senate Votes Down Taft Proposal for 18 Months Total Service For Selectees

Washington, Aug. 5.—(AP)—The Senate rejected today a proposal to limit the service period of Army selectees to a maximum of six months beyond the originally set one-year term.
Rejection was on a vote announced as 50 to 37.
The proposal was offered by Senator Taft, Republican, Ohio, as a substitute for pending administration legislation which would permit selectees to be held in service for a maximum of one and one half year after completing the one-year training period.
When they were inducted last year selectees and National Guardsmen were scheduled to serve only one year. The Army high command recently urged indefinite extension of that period.
Taft's proposal, which gave a

(Continued on Page Four)