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Shipbuilding Workers Strike

Reds Battle Fiercely To Defend Leningrad

Two-Headed Drive Made By Invaders

'New Theatre' of Offensive Operation Mentioned by Nazi's Appears to Be Campaign by German and German-Finnish Forces

(By The Associated Press)
Russian troops were reported battling fiercely to stem a two-headed drive on Leningrad today, with Nazi columns striking from the south along the shores of Lake Peipus and German-Finnish forces attacking from the north on the Karelian Isthmus, within 25 miles of the city.

Soviet reports indicated that the push from the north had temporarily abated overnight but noted heavy fighting south of the old-time capital of the czars.

A Reuters (British news agency) dispatch from Moscow declared, however, that the Soviet high command was "confident that the Germans will reach neither Kiev nor Leningrad, let alone Moscow itself."

A Red army bulletin reported that Russian troops had routed one of Adolf Hitler's elite "toden koepfe" (death's head) divisions, littering the field with 2,500 Germans killed and wounded.

Under Russian artillery fire, the commandos retreated. German tanks, motorcycles, machine guns and mine throwers and mutilated bodies of fascist soldiers were being thrown into the air when the "toden koepfe" wavering Red army men launched a bayonet charge and completed the rout of the fascist division.

All last night, the Soviet high command said German troops stormed Red army positions on the Estonia front, driving toward Leningrad in what appeared to be the "new theatre" of offensive operation mentioned yesterday by the Nazi high command.

The Russians also reported violent all-night fighting in the sectors south of Smolensk, 230 miles west of Moscow, and Bel-Tserkov, 50 miles south of Kiev, the Ukraine capital—the same battle zones which have appeared regularly in Soviet communiques.

PENALTY.

Washington, Aug. 7.—(AP)—The Agriculture department said today that the grower penalties for marketing 1941 crop cotton in excess of sales quotas would be seven cents a pound.

French Note Indefinite

Secretary Hull Says Relations Will Depend More on Action Than Assurances

Washington, Aug. 7.—(AP)—Secretary of State Hull indicated today that American relations with the Vichy government depended more on French action in defending French territory than on assurances just received from Vichy.

He has received a French note substantially along the lines reported in press dispatches from Vichy, the secretary told his press conference.

Asked whether these new assurances were satisfactory, Hull said he still wished to know more about what was going on in Vichy.

The French note was reported to have expressed Vichy's intentions of defending the empire in its own way.

Hull's remarks led some observers to infer that the note in itself failed to satisfy the American government entirely on the question of defense of French Africa and other territory or resistance to axis demands for military bases and other concessions.

The note, which Hull indicated might be made public later, followed a statement last week by Sumner Welles, then acting secretary of state, in which he declared that

American Tankers Assigned To Haul Gasoline To Russia

A Champion Takes Off



Dorothy Williamson, diving champion of the Women's Swimming Association, floats through a swan dive during a practice session at Manhattan Beach, New York, where she and teammates are training for the championship swimming meet at High Point, N. C.

(Central Press)

U.S. Sees Axis Move To Control Oceans

Duce's Son Dies In Crash

Washington, Aug. 7.—(AP)—Captain Bruno Mussolini, 22, second son of Benito Mussolini who obeyed his father's motto, "live dangerously," was killed today in the crash of a plane he was testing near Pisa.

"This morning Captain Bruno Mussolini died gloriously near Pisa following an accident in the flight of an experimental plane," said the official announcement.

Thus ended a young life into which action in three wars had been jammed, along with the thrills of a trans-Atlantic flight, air and motor racing.

All evidence available, an informed source stated, points to a coordinated drive by Germany to control all strategic bases in the Atlantic, while Japan seizes similar objectives in the Pacific.

"When and if—Germany and Japan accomplish this ambitious objective," a ranking official said, "the axis powers could join forces across the southern ocean and dominate the seas, isolating the Americas for a coordinated attack from the Pacific and the Atlantic."

To win that "stronghold on the world," it was pointed out, the Germans and Japanese must first seize the British and French strongholds

of North Africa and the Mediterranean.

Washington, Aug. 7.—(AP)—Leon Henderson, head of the office of price administration, said today that control of wages, while important in preventing inflation, should not be included in a price fixing bill.

Testifying before the House bank-

(Continued on Page Seven)

(Continued on Page Two)

Bailey Opposes Higher Tax On Tobacco Or Gasoline

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

Raleigh, Aug. 7.—Senator Josiah W. Bailey will oppose any effort to amend the current tax bill in Congress so as to increase federal taxes on either tobacco or gasoline.

In reply to a wire from this bureau citing the widespread interest in North Carolina in both these tax proposals and requesting his attitude, Senator Bailey replied:

"The bill before us does not propose additional taxes on tobacco or gasoline. I shall oppose any move to amend it in these respects."

The tax bill, as it passed the House Monday, eliminated the compulsory joint income tax returns by husband and wife in cases where both have reportable incomes. As a result that

(Continued on Page Five.)

estimated yield was some \$300,000,000 off from the \$3,500,000,000 the measure was expected to bring in the form approved by the ways and means committee.

In the early days of House committee hearings, a substantial increase in excise taxes on tobacco and an increase in the gasoline tax from one and one-half cents to two and one-half cents were proposed; but neither proposal gained committee approval.

Since passage of the tax measure in the House the tobacco and gasoline levies have again been brought forward as possible means of making up the loss due to elimination of the joint husband-wife returns.

An identical wire was sent by this bureau to Senators Bailey and R. R. Reynolds, but no reply has yet been received from the latter.

Transfer of Ships May Result in Petroleum Shortage on West Coast, Ickes Says; Aviation Gasoline Running Low.

Washington, Aug. 7.—(AP)—Harold E. Ickes, defense petroleum administrator, said today four American tanker ships were being turned over to Russia to haul aviation gasoline.

At the same time, he said a short series of oilfields opened in the United States, with possible severe effect on military and commercial flying, was already cutting the capacity for production, so that the situation is aggravated markedly.

The transfer to the USSR could contribute to a limited general petroleum shortage in the United States.

Ickes told newsmen that a compulsory plan to conserve gasoline on the east coast "may not be very far ahead." He said the gasoline consumption on the Atlantic seaboard has increased materially in the last two weeks, despite the widespread effort to interest motorists voluntarily to curtail consumption.

The problem of increasing America's capacity for producing aviation gasoline, which requires special machinery, will be taken up by Ickes Monday at a meeting here of chairman of regional oil industry committees.

TEN PLANES LOST BY RAF RAIDERS

London, Aug. 7.—(AP)—The RAF reported today successful raids on industrial centers of western Germany and shipping off the coast of Holland, but admitted that from its wide-ranging operations yesterday and last night ten planes are missing.

It was indicated that the assault was renewed on northern France today.

Again the night attacks were centered on Frankfurt, Mannheim and Karlsruhe in a continuation of the methodical pounding of German targets, and the commandos reported.

Huge fires were started and a considerable weight of bombs was dropped on each city. These raids, however, cost eight planes.

Leaf Prices Hold Strong

Third Day of Sales on Georgia - Florida Markets Sees No Slump in Averages

Valdosta, Ga., Aug. 7.—(AP)—The cheerful song of profitable prices continued in the Georgia-Florida bright leaf tobacco markets today, third of the 1941 sessions with the rapid tongued auctioneers.

Valdosta sales supervisor, M. T. Almond, announced sales of 569,240 pounds for \$1,406.17 for an average of 25.59 cents per pound in Wednesday's sale.

Leaf is moving slowly to market because of the late curing season, Moultrie market observers found. Sales supervisor C. E. Long said sales there amounted to 531,624 for \$1,21,606.66 for an average of 22.03 cents per pound.

Tifton's sale continued about the same as for the first two sessions after a second day sale of 699,306 pounds for \$1,069.26, an average of 24.56 cents per pound.

Nashville, Tenn., sales supervisor Frank Pace, reported today sales Wednesday of 8,320 pounds for \$1,39,350.01 for an average of 22.52 cents per pound.

Sales Monday from high of 38 cents to low of four cents with the bulk selling at 23 cents.

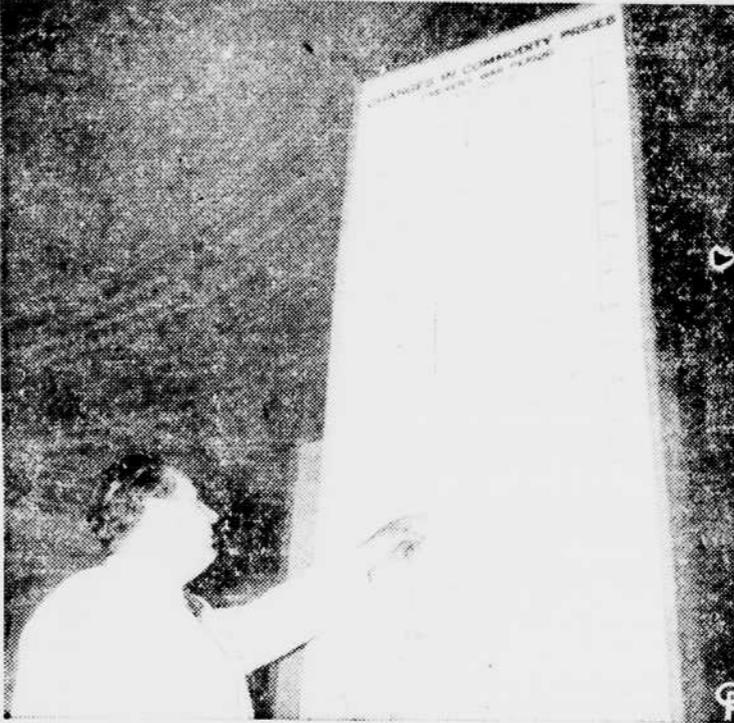
Warehouses in Winston said sales at Bailey today ran from high of 36 cents to low of two cents with bulk selling at 25 cents.

WEATHER

FOR NORTH CAROLINA.

Generally fair tonight and Friday; slightly cooler in east and north central portions tonight.

Prices Going Up.. Up.. and Up!



Leon Henderson, head of the Office of Price Administration, appearing before the House banking and currency committee, points to a chart with the assertion that there is going to be a "most pronounced increase in the cost of living." He declared backlog of increased wholesale prices would soon be reflected in retail prices.

Showdown Sought On Service Term

Roosevelt Keeps Posted

Washington, Aug. 7.—(AP)—President Roosevelt, on a vacation off New England, was reported today to be keeping in close touch with international affairs by navy radio.

The report was in a dispatch from the U. S. S. Potomac, which also said that the presidential party's fishing trip was good.

The commandant made no mention of radio equipment in various world capitals he visited two days ago, however, it was reported. Mr. Roosevelt might meet Prime Minister Winston Churchill of Great Britain.

That the Pres. should be aware much rumors were in circulation, however, apparently was indicated by the report that he met closely following international developments.

With House leaders failing impatiently to begin consideration of the measure there, Senator Pepper, Democrat of Florida, had heeded any further Senate delay and postponed indefinitely the bill to extend the rank and file military service for months.

Senator Borland of Kentucky, the Democratic chief, however, asked opponents to agree to drastic restrictions on debate in an effort to reach a final vote before sundown.

Despite a mild hush-hush now in effect, the chamber continued in the same working day yesterday in debate in one amendment.

With House leaders failing impatiently to begin consideration of the measure there, Senator Pepper, Democrat of Florida, had heeded any further Senate delay and postponed indefinitely the bill to extend the rank and file military service for months.

Leaders forced a vote on the major pending proposals and a speedy approval of the measure. Pepper said, however, that refugees indicated the House might cut the vote to twelve months as it had done yesterday in an amendment on-sided 50 to 21.

(Continued on Page Four)

Babson Offers Advice On Real Estate Investments

BY ROGER W. BABSON.
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Glenco, Mass., Aug. 7.—I am writing this column from my old home in Glenco, Massachusetts, where I was born. This morning I walked out through the fields to a piece of land for which I once saw my grandfather pay \$1,000 some fifty years ago. The family still owns the land which today would perhaps sell for \$1,500. How much profit has the family gained?

Buy Productive Real Estate.

Some would answer \$500 but if what the family has paid for taxes and maintenance and lost in inter-

est are considered, they rightly should be it is plain that the family has lost \$4,500. It costs nearly 10 per cent a year to carry such property.

This means that having produced no income, it has cost the family in taxes, maintenance, and compound interest about \$50,000. The same thing applies to much property in the United States and Canada.

Hence, the first real estate rule is to own only property which carries itself. This means buy productive real estate and sell your unproductive real estate. Don't gamble in real estate or farms. Buy such as you can afford. Moreover, except for a home

(Continued on Page Five)

Big Defense Centers Hit By Walkout

CIO Unionists Quit Work at Kearny, N. J., and Brooklyn, N. Y.; California Aircraft Wage Dispute to Mediation Board

(By The Associated Press)

Construction of defense ships and shipbuilding materials, some of them for the Navy, was halted today at big shipyards at Kearny, N. J., and Brooklyn and Staten Island, N. Y., by walkouts involving both CIO and AFL unions.

At the Federal Shipbuilding and Drydock Company's Kearny plant alone \$193,000,000 worth of naval and merchant ship construction was hit by a strike called by the CIO last midnight.

Other defense production was halted at the New York yards.

At the latter plant, a rival CIO and AFL union, the latter, called a stoppage of work at three dry docks—two in Brooklyn and one on Staten Island—and the Bethlehem Steel Company. The company said the dispute involved union representation but officials of both the CIO and AFL unions said wage demands were the root of the trouble.

At Washington Sidney Hillman, acting director of the office of production management, summoned the officials of Federal Shipbuilding and of the CIO union involved to a conference this afternoon with defense Navy and maritime commission officials to discuss the strike.

The conference was scheduled for 4 o'clock EST. Hillman said the meeting was called hastily in view of the vital importance of ship building in the national defense.

The Kearny strike also was considered by the full membership of the defense mediation board at a meeting in Washington this morning, and members declined to discuss the situation.

Local CIO officials claimed 16,000 of the 18,000 employees

(Continued on Page Five)

CIGARETTE SALES PRACTICES AIRED

Lexington, Ky., Aug. 7.—(AP)—Correspondence showing the American Tobacco Company removed the Dow-Douglas Company of Cincinnati from its direct customer list after a controversy over prices was introduced in the tobacco anti-trust trial today.

The government, which presented 1932-33 correspondence between C. S. Davis of the drug concern and Vincent Riggi, a vice president of American and an executive of the National Guardmen and others, submitted to the jury that the drug firm had been in contact with the tobacco companies for many years.

Pepper told reporters this was one reason why we wanted to prove necessary to accept an amendment sponsored by a majority of the Senate committee to limit the maximum extension of service to 18 months. He added that he much preferred the original version of the bill, calling for an indefinite extension.

Leaders forced a vote on the major pending proposals and a speedy approval of the measure. Pepper said, however, that refugees indicated the House might cut the vote to twelve months as it had done yesterday in an amendment on-sided 50 to 21.

(Continued on Page Five)

Japan Seeks No New War

Board of Information Says Statements By Hull and Eden Are Unwarranted

Tokyo, Aug. 7.—(AP)—Japan wants to maintain friendly relations with Thailand and considers unwarranted yesterday's statements by U. S. Secretary of State Hull and British Foreign Secretary Eden of concern over her intentions, the Japanese board of information said today.

Hull said Japan's intentions toward Thailand were of increasing concern to the United States and Eden warned that a Japanese move into Thailand would bring about "a most serious situation between Great Britain and Japan."

The board charged that reports in