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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 75 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 city.

A Reuters (British news agency) dispatch from Moscow declared, however, that the Soviet high command was "confident that the German 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 kampf" (death's head) divisions, littering the field with 2,500 Germans killed and wounded.

Under Russian artillery fire, the communiqué related, German tanks, motorcycles, machine guns and mine throwers and mutilated bodies of fascist soldiers were being flung into the air when the "toden kampf" waved 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 communiqués.

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

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



Dorothea 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)

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

At the same time, he said a short list of aviation gasoline in the United States, with possible severe effects on military and commercial flying, was being studied.

The transfer to Russia might contribute to a limited general petroleum shortage in west coast areas, he said.

Ickes told petroleum 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 few weeks, despite the widespread effort to interest motorists voluntarily to curtail consumption.

The problem of increasing American 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.

U. S. Sees Axis Move To Control Oceans

Japan's Pressure Bid for Control of Thailand Believed Part of Plan to Dominate Both Pacific and Atlantic Oceans

Rome, 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.

Washington, Aug. 7.—(AP)—The United States government, it was learned today, believes that Japan's pressure bid for control of Thailand is part of a well-patterned axis plan to seize control of the oceans and thereby dominate the world.

The latest Japanese moves were described as dovetailing perfectly with Germany's demands on Vichy for military and naval bases in French colonial possessions, particularly in Dakar.

All evidence available, an information source stated, points to a coordinated drive by Germany to control all strategic bases in the Atlantic, while Japan seeks 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 oceans and dominate the seas, isolating the Americas for a coordinated attack from the Pacific and the Atlantic."

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 communiqué reported "huge fires were started and a considerable amount 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

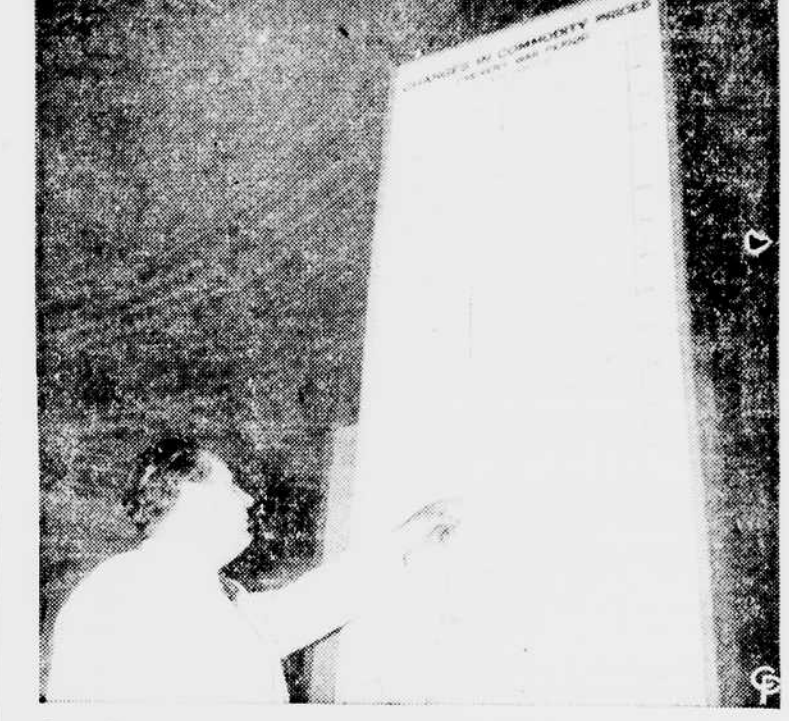
Valdosta, Ga., Aug. 7.—(AP)—The cheerful song of profitable prices continued in the Georgia-Florida bright leaf tobacco markets today, third of the 1941 sessions with the rapid-tongued auctioneers.

Valdosta's top supervisor, M. T. Almond, announced sales of 569,240 pounds for \$10,961.17 for an average of 25.39 cents per pound in Wednesday's sale.

Leaf is moving slowly to market because of the late starting season. Moultrie market observers found Sales Supervisor C. E. Leon said sales here amounted to 531,624 lbs. \$12,606.66 for an average of 23.71 cents per pound.

Tifton's sale continued about the same as the first two sessions, after a second day sale of 690,406 pounds for \$10,652.26, an average of 25.36 cents per pound.

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 came in a dispatch from the U. S. embassy in London which also said that the president's party's fishing dock was good.

The communiqué made no mention of Roosevelt's interest in various world capitals in the last two days that it was possible Mr. Roosevelt might meet Prime Minister Winston Churchill of Great Britain.

That the president would be aware of such rumors, however, is not certain, however, as he is reported by the report that he is closely following international developments.

Thailand Expected To Resist Japs

London, Aug. 7.—(AP)—Thailand is expected to resist the demand by Japan to invade her, and British aid, military or material, will be conditioned by the American response to the situation, it was reported here today in the course of an administrative review.

The source for this information questioned Britain as to whether she is ready for offensive operations in the Middle East where the situation is the clearest. Britain already has halted a hard drive toward the Suez canal.

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

At the Federal Shipbuilding and Drydocks Company's Kearny plant alone \$193,900,000 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, rival CIO and AFL unions have closed a stoppage of work at two yards. Two in Brooklyn and one in Staten Island, of 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 membership of the defense mediation board at a meeting in Washington this morning, but members declined to discuss the situation.

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

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CIGARETTE SALES PRACTICES AIRED

Lexington, Ky., Aug. 7.—(AP)—Correspondence showing the American Tobacco Company removed the Dow Drug 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 1942-43 correspondence between C. S. Davis of the drug concern and Vincent Ruggie, a vice president of American and an executive defendant, contends the accused companies fixed prices by controlling sales outlets.

Letters were read to the jury in which Ruggie protested that the Dow company was selling American Lucky Strike cigarettes at two packages for 30 cents while selling competing brands at two packages for 25.

One letter informed Davis that if Dow said Lucky Strikes at the high price the Dow company would be removed from the American's direct list, thus losing discounts allowed to three on the list.

The board charged that reports in

Bailey Opposes Higher Tax On Tobacco Or Gasoline

Early 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 the 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."

WEATHER

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

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