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20,000 Germans Killed And Wounded As

RUSSIANS COUNTER ATTACK IN UKRAINE

Decisive Step Reported Near In Iran

Nazi Agents Reported Moving In

Britain and Russia said to be contemplating move to counter German infiltration along "Germany's Road to India"

London, Aug. 18.—(AP)—Indications grew today that Britain and Soviet Russia were planning a decisive step shortly in Iran (Persia) where reports of German infiltration have brought a second protest from London and Moscow.

The Daily Mail said "we cannot afford to go any more" and called the country "Germany's road to India." It asserted Britain had been counting on a revolt in Iran to threaten the entire Middle East position. Fighting which the British charged was instigated by the Germans in Iran finally ended with the withdrawal of German elements and re-installation of British control.

Informed sources estimated about 3,000 German tourists and technicians, many of them at communications points, were now in Iran, which has borders on Russia and India.

The Times warned Iran to heed British and Russian notes against alleged Nazi intrigues which might compromise the country as Germany did in the World War.

(A broadcast by Tass, Russian news agency, quoted Ankara reports as saying that Germany was demanding air bases and aviation fuel in Iran and planning overthrow of the government. It said German agents had filtered into the Iranian army and more were coming via Istanbul to headquarters at Tabriz.)

Officials would not discuss the possibility of a military move on Iran, but it was recalled that Foreign Secretary Anthony Eden told the house of commons August 7 that Middle East forces were being strengthened "for their next forward blow."

CAMP AUTHORITIES INVESTIGATE FIGHT

Wilmington, Aug. 18.—(AP)—Authorities at Camp Davis, anti-aircraft base at Holly Ridge, investigated today a fight for all right between Negro soldiers and Negro civilians, resulting in hospitalization of six civilians and five soldiers.

They also sought to determine whether there was any connection between the fight and the death of a Negro who, found afterwards, was taken to a hospital and thence to jail, where he died.

Shooting, knife and clubbing broke out soon after a bartender in a Negro beer parlor refused to serve a soldier. The parlor was wrecked.

Deferment Bill Signed

President Approves Measure Relieving From Army Service Men Over 28 Years of Age.

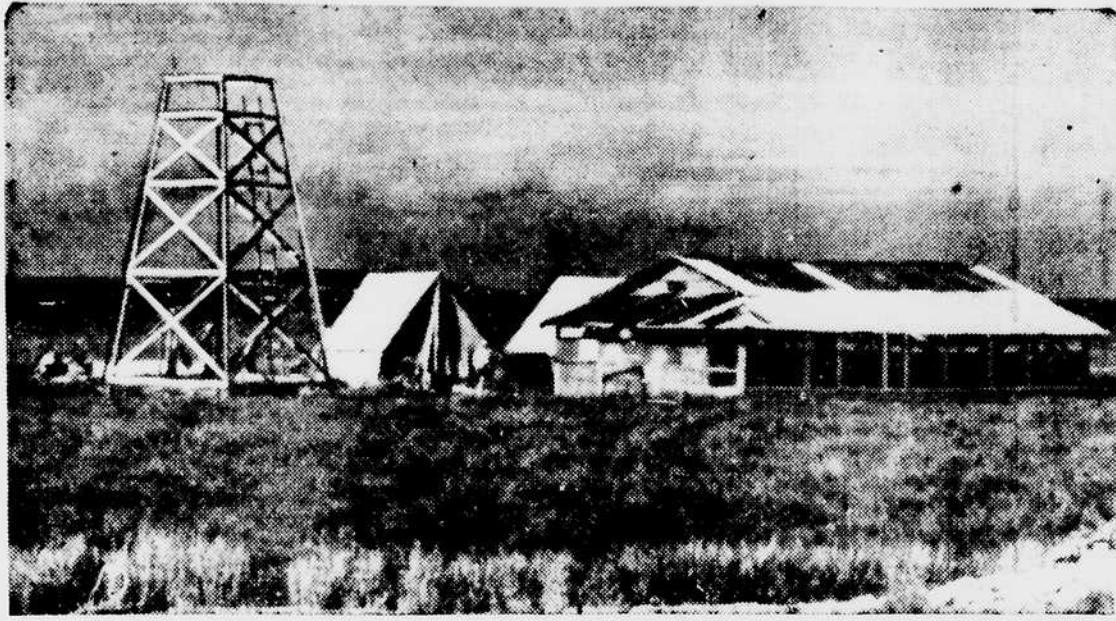
Washington, Aug. 18.—(AP)—President Roosevelt signed into law today legislation to relieve men 28 years and older from active military duty under the selective service act.

The new law provides mandatory deferment for men not yet inducted and directs that those of the specified age who request it shall be released from service "as soon as practicable and when not in conflict with the interest of national defense."

The Chief Executive was expected to sign later in the day the bill extending the service of the rank and file of the Army to 18 months.

The mandatory deferment applies to men who on July 1, 1941, or on

U. S. Defense Outpost in the South Pacific



C. P. Phonephoto

This view on Johnston Island, 717 miles southwest of Honolulu, was made during construction of buildings for the new U. S. air station, which has just been commissioned. The station gives America another strategically-located outpost in her Pacific defenses.

FDR TELLS OF MEETING

RAF Raids Nazi Cities

Bremen and Duisburg Heavily Bombed, Along With Other Centers; Raids Continue.

London, Aug. 18.—(AP)—British bombers which pounded Germany and occupied France by day and night during the week-end were reported today to have concentrated last night on Bremen and the important industrial area around Duisburg, on the Rhine.

Indicating a large scale daylight offensive against some continental objectives, a big formation of RAF planes roared high over the channel from the southeast coast this afternoon.

The air ministry said more than 100 British bombers ranged over western and northwestern Germany during last night despite unfavorable weather—and that only one British plane was lost.

Large fires were said to have been touched off among the docks at Bremen and in the industrial district at Duisburg.

A few German planes retaliated over Britain last night, the air ministry said, bombing several coastal points. One plane was said to have

(Continued on Page Three.)

Churchill Returns To Britain

London, Aug. 18.—(AP)—Prime Minister Winston Churchill returned to Britain safely today from an historic meeting at sea with President Roosevelt and a visit to Iceland, and was met by Minister of Information Brendan Bracken to complete arrangements for a probable broadcast by the prime minister.

The date for the broadcast has not been announced.

British and United States troops assigned to Iceland were inspected by Churchill on his way back from the Atlantic rendezvous.

As Churchill and his party drove to a special train in three motor cars, persons in the streets cheered and shouted "best of luck."

The prime minister returned in the battleship Prince of Wales, which carried him to the historic meeting with the President of the United States. The port of arrival was not disclosed.

(Continued on Page Three.)

Head Defense Man?



Justice Samuel Rosenman

According to Washington report, Justice Samuel Rosenman of the New York Supreme Court, a close friend of President Roosevelt, has been selected to reorganize the defense-production setup with the defense agencies under one command.

(Central Press)

Silk Hosiery Mills Curtail Hours Of Work

Charlotte, Aug. 18.—(AP)—Cedric Stallings, the American Federation of Hosiery Workers state representative, said that the North Carolina silk hosiery manufacturing industry went on a three-to-four day work week today.

The curtailment of production and employment was made necessary by the growing shortage of silk and substitute yarns because of governmental action in shutting off silk imports from Japan and taking over raw silk supplies for military use.

Stallings said he expected a more drastic curtailment at the beginning of next week unless the industry succeeded in obtaining larger shipments of raw silk yarn.

Taylor R. Durham, secretary of the Southern Hosiery Manufacturers Association, said he was awaiting a call to a meeting in Washington where the industry's leaders will discuss regulations for the distribution of substitute yarns.

When these substitute yarns become available, a larger number of

(Continued on Page Six)

WEATHER FOR NORTH CAROLINA

Partly cloudy tonight and Tuesday, followed by thunder-showers in mountains Tuesday afternoon; slightly warmer tonight.

Fire Sweeps Brooklyn Waterfront

Two Men Killed, Others reared to be Dead, and Considerable Property Damage Caused by Blaze Following Blast.

New York, Aug. 18.—(AP)—Two men were killed, considerable property damage was caused and a number of seamen were feared dead today in a fire which swept a section of the Brooklyn waterfront.

The blaze, touched off by a series of lightning-like explosions, started on the Cuba Mail Line freighter Panuco, a 1,000-foot Cuban Mail Line pier, and damaged an adjoining pier and several craft assisting in the unloading of a highly inflammable cargo from the Panuco.

Police Commissioner Levey J. Valentine said he feared "many more men or bodies" were aboard the flaming Panuco, which was towed into the East river after she caught fire.

He said 25 men were fished out of the river, two of them dead—5 in longshoremen—and 22 were taken to hospitals.

The Panuco, loaded with quick-silver, minerals and hemp, broke immediately into flames, was cut loose and drifted down the bay, a blazing mass, from 5 to 15 m.

Firemen rushed all equipment to the fire alarm fire to keep the blaze from spreading to the nearby T. R. Line pier where British ships almost daily load supplies destined for England and the East.

The scene of the fire was opposite Governor's Island, site of Fort Jay, on the edge of the East channel, which links the East river with New York harbor.

Lieutenants Hear Report

Congressional Leaders Say 'Very Interesting' Conference Was Confidential.

Washington, Aug. 18.—(AP)—President Roosevelt gave congressional lieutenants a picture today of his dramatic conference with Winston Churchill and discussed with them a further lease-land appropriation.

Senate Democratic Leader Barkley of Kentucky said the group had had a "very interesting" conference but that he could not say much about it because it was confidential.

But he said the Senate and House leaders had received his full account of the Roosevelt-Churchill meeting as it was possible to condense three days of conferences into a discussion lasting an hour and a half.

"The question of a further lease-land appropriation was discussed," he asserted. "The budget is studying it. There has been no decision on the amount. When the budget is through with it, there will be a further communication to Congress on the subject."

But he indicated very not come for several weeks, and at least not before Congress resumes a full schedule.

Asked whether the Japanese situation was discussed at today's conference, Barkley said it had been mentioned only casually and that there was "nothing very definite on it."

Those who assembled in the Chief Executive's study were Vice President Wallace, Senate Minority Leader of Barkley, Acting Speaker Woodrum, Democratic Virginia, Chairman Connally, Democrat, Texas, of the Senate foreign relations committee, Chairman Bloss, Democrat, New York, of the House foreign affairs committee, and Senator George Democrat, Georgia, until recently, chairman of the foreign relations committee.

GOVERNMENT MAY TAKE OVER PLANT

(By The Associated Press) President Roosevelt had under consideration today a Navy recommendation that he sign an order to the government to take over the Federal Shipbuilding and Drydock yards at Keyport, N. J.

A strike there by the CIO Industrial Union of Marine and Shipbuilding Workers has halted production on \$493,000,000 of naval and merchant ship construction.

There was no immediate indication when or whether he would sign the document.

The union, planning its members numbered 16,000 of the company's 18,000 workers, called the walkout after the management declined to grant a contract clause for maintenance of union membership.

U.S. Envoy to Siam



Willys R. Peck

New United States minister to Thailand (Siam) is Willys R. Peck, of California, who has been serving as counselor of the American Embassy in China. He succeeds Hugh G. Grant, resigned. Britain and the United States have warned Japan against invasion of Thailand.

(Central Press)

Grew Meets With Toyoda

United States Ambassador in Lengthy Conference With Japanese Foreign Minister.

Tokyo, Aug. 18.—(AP)—Relembable indications that a Russian Far Eastern army of great strength has been fully mobilized and stationed on the Siberian border, and an hours-long conference between United States Ambassador Joseph C. Grew and Japanese Foreign Minister Teijiro Toyoda stressed the critical situation in the Pacific tonight.

Significantly, Grew, chief of the European and American embassies, with a discussion of proposed plans of Chinese, Communist China, Kuai-Suei to visit Moscow, interpreting such plans as evidence of China's weakness and the effectiveness of Japan's blockade.

The whole Japanese press flashed reports under London cable lines that Grew would visit Moscow.

The Grew-Toyoda meeting was reported of the utmost importance in thought there was no indication what they discussed.

Tokyo, Aug. 18.—(AP)—U. S. Ambassador Joseph C. Grew held a lengthy conference later today with Japanese Foreign Minister Teijiro Toyoda, and it was reported their discussion was of the utmost importance.

Grew went to the foreign office at 4 p. m. and had not returned by the embassy two hours later.

Before he saw Toyoda, Eugene H. Dorman, counselor of the United States Embassy in Tokyo, had

(Continued on Page Six)

Many Farm Workers Attracted To Jobs In Defense Plants

By CHARLES P. STEWART, Central Press Columnist

Washington, Aug. 18.—Farm labor shortages, increasing alarmingly all over the country, aren't the result of the expansion of military production, but may be traced directly to the demands of defense industries for men.

This is according to Brig. Gen. Lewis B. Hershey, newly appointed director of selective service.

General Hershey was a farmer before he was a soldier.

Born near Angola, Ind., he was a farmer's son and the descendant of generations of soil tillers. Although he left his parental acres for other fields, he's an agriculturalist at heart.

Naturally, he admits, the army has taken some young men from the land. A substantial amount of rural labor has enlisted in our armed forces, without being conscripted, and selective service has brought in a few. Nevertheless, says the general, the percentage of young farmers in our military establishment is small in comparison with the number who have left home to work in defense industries.

As for selective service, General Hershey emphasizes that his nationwide organization has been cautious, repeatedly against inducting needed farm boys.

Furthermore, representatives of the agricultural department work constantly with selective service officials, advising them of farm problems. On the basis of a recent report by Agriculture Secretary Claude R. Wickard, all local boards have been warned that they must interfere with production of our food supply.

Nevertheless there's a growing

(Continued on Page Three)

Red Troops Declared Advancing

On Central Front, Defenders of Road to Moscow Reported to Have Repulsed Nazi Columns With Large Scale Counter Drive.

(By The Associated Press) Three Russian counter attacks were reported today to have saved a Ukraine city identified as "K"—possibly Kiev, the capital—with 20,000 Germans killed and wounded after they had advanced within five miles of the town then were thrown back six to eight miles.

Red army troops still were advancing, Soviet dispatches said, hitting savagely at the northern flank of the long German wedge into the Ukraine.

On the central front, Marshal Timoshenko's defenders of the road to Moscow were reported to have repulsed other Nazi columns in large scale counter attacks. Near a city identified only as "M" the German losses were put at 5,000 men.

The Russians acknowledged that Nazi troops across the heart of the southern Ukraine had captured the big port of Nikolayev, 6 miles northeast of Odessa, but declared that the city's shipyards had been blown up in the withdrawal.

Soviet officials also admitted the fall of Krivoi Rog, rich iron ore center, 100 miles northeast of Nikolayev, which the Germans claimed last week.

With the 1,200-mile battle-front from the Baltic to the Black Sea aflame in bitter night fighting, authoritative quarters in London said Adolf Hitler's invasion armies apparently had launched a major new offensive in the north, driving from Estonia toward Leningrad.

London sources said the Leningrad front was threatened with the withdrawal of Marshal Semyon Budenny's Red army in the south, where they were taking up a new defense line along the mile-wide Dnieper river. These quarters estimated the German attacking force in the Ukraine at more than 1,500,000 troops including 40 to 50 infantry divisions and 30 to 40 divisions of tanks, artillery, Luftwaffe and Stuka.

Generalissimo Stalin's three German divisions—the 262nd, 94th and 99th infantry—suffered losses ranging from 30 to 50 percent of their original strength, which would total approximately 45,000 men, a Moscow communiqué declared.

Moscow had its 20th air raid alert on the night, but reported no damage as the raiders got through to the city.

(Continued on Page Three.)

Government Bolsters Peach Prices

Daily Dispatch Bureau. In the St. Walter Hotel. By DENNY AVERILL.

Raleigh, Aug. 18.—The final summary report of the state-federal crop reporting service shows just how important government buying of surplus peaches was for the North Carolina peach industry.

The year 1941 was one of the largest crops in the history of the state, exceeded only by that of 1931, consisting of 100,000 bushels of peaches produced in every other peach growing area, total exceeding the ten-year average by more than 15,000,000 bushels. North Carolina would have suffered terrible loss had the surplus marketing administration not stepped in.

Of 1,100 cars of peaches moved by rail out of this state, the government bought 320. The government also bought heavily in Georgia and in South Carolina. There was a triple motive behind government buying: first, the lend-lease program required peaches for canning for the British and American armies; sec-

(Continued on Page Three.)