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# NAZIS CLAIM 22 SHIPS SUNK FROM CONVOY

## Reds Report Bloody Setbacks To Invaders

### Germans Say Progress Being Made

Nazis Lose Last Chance to Equal Napoleon's Warsaw-To-Moscow Schedule; Red Star Reports Germans Driven Back.

(By The Associated Press) Moscow reports today told of bloody setbacks for Adolf Hitler's legions on the central Soviet front.

The German high command acknowledged that German forces on the Russian front are encountering bad weather and difficult terrain but declared operations are "progressing well" nevertheless.

The Germans lost today their last chance to equal Napoleon's 1812 schedule of 60 days for the Warsaw-to-Moscow push.

The Red army newspaper, Red Star, asserted that Nazis were being driven westward toward Smolensk at a rate of from seven to ten miles a day in one of Marshal Semeon Timoshenko's defense zones.

The 47th German tank corps and associated artillery and infantry units were declared by the Soviet information bureau to have suffered heavy losses in Soviet pincer operations modeled upon the Nazi pincer, with 2,500 of the invaders reported killed in a single engagement.

Berlin military sources, however, expressed belief that the German high command soon would announce major victories in the battle-torn middle sector and along the southern front as well.

The military situation at Leningrad itself was clouded. Soviet sources declared approaches to both that second city of the U. S. S. R. and Kiev, the Ukrainian capital, were carpeted with German dead.

Red army pilots from the Baltic fleet were said to have joined army flyers in combatting German planes which have caused 123 air raid alarms at Leningrad.

Helicopter dispatches said Finnish troops fighting through rain had pushed over swampy lands of Karelia to within 40 miles of Petrozavodsk, a station on the Soviet rail line from Leningrad to Murmansk.

### Big Audience Hears Address

Washington, Sept. 12.—(AP)—The White House announced today that of 1,600 messages received over night and this morning on President Roosevelt's sheet-on-sight radio address only 150 were critical and not in accord with it.

At the same time, Stephen Early, presidential secretary, said a Columbia Broadcasting System survey showed the address was heard by the second largest audience of American radio listeners.

The survey, Early said, gave the speech a 67 per cent rating, which meant that 67 per cent of a potential audience of 60,000,000 people heard it. A 50 per cent rating was accorded the President's May 27 speech in which he declared an unlimited national emergency.

### RAF Bombers Again Active

London, Sept. 12.—(AP)—British bombers attacked Germany and German-occupied territory from Norway to France last night, concentrating on northern Germany, including Kiel naval base, and the Baltic port of Rostock. It was the first attack on Rostock.

The air ministry said that despite bad weather "considerable forces" left large fires burning at both Kiel and Rostock.

Bomber command aircraft also attacked the docks at Le Havre and Boulogne on the French coast, while aircraft of the coastal command bombed docks at Haugesund, Norway, and a Norwegian airfield near Stavanger.

Shipping was attacked off both the Norwegian and the Dutch coasts.

Fights Norse Rebels



### Gayda Says Axis Ships Must Attack

Authoritative Italian Editor Declares German and Italian Vessels Now Exposed to Deliberate Aggressive Action.

Rome, Sept. 12.—(AP)—Italian and German warships, exposed now to "deliberate aggressive action of American warships," must attack in self defense if they cannot escape, Virginio Gayda declared today.

It is evident," declared the authoritative fascist editor in the newspaper Il Giornale d'Italia, "that after the peace announcement given by the White House, every Italian and German ship, knowing itself exposed to deliberate aggressive action of American warships, must attack for its self defense if it fails the possibility of escaping attack."

Fascist circles denounced Roosevelt's announcement as a "deliberate, flagrant violation of neutrality which, juridically, the United States of America has now abandoned."

Gayda said "no formal declaration of war would now add any new or different elements to the reality of this open, direct aggression pre-announced by Roosevelt's speech."

A statement issued in political circles said Roosevelt's speech showed a desire for "aggressive occupation" of strategic points outside American waters and charged the President with having arranged to "exploit the slightest incident."

"Thus ensemble of acts and manifestations is received with calm and without surprise in Italy but with renewed and deliberate firmness of the will to continue the war together with Germany and other allies until victory," the statement concluded.

### New Revolts In Norway

Gigantic Conflict Indicated Within Few Days; Trade Unions Lead Opposition.

Stockholm, Sept. 12.—(AP)—Reports from Oslo today said a spirit of revolt against the German-supported Quisling government was growing rapidly in Norway and a gigantic conflict was indicated in the next few days with the trade unions leading the opposition to the Nazis.

The unions have about 350,000 members.

A great many persons were reported arrested at a number of places Thursday.

Ladwick Baland, vice president of the labor federation, was sentenced to death and then pardoned by Josef Terboven, Nazi gauleiter for Norway, as official accounts said "labor peace was restored and there were no episodes of any kind."

### Price Ceiling Set For Coal

Washington, Sept. 12.—(AP)—Formed legislators said today a joint Senate-House conference committee had agreed to lower personal income tax exemptions and thus require an estimated 491,000 additional persons to make out income tax returns next year.

The reduced exemptions, which would cut married persons' tax free annual income from \$2,000 to \$1,500 and that of single individuals from \$800 to \$750, was written in by the Senate and was estimated by the Treasury to yield \$303,000,000 a year.

Only about \$40,000,000 of the additional revenue would be paid by new taxpayers. The remainder would come from persons already paying income taxes, in the form of increased payments.

Detailed results on the conference were a closely guarded secret and the conference reported that Chairman Doughton had exacted a pledge that the compromise measure be withheld from publication until Monday.

The final income prices established in the ceiling schedule are \$6.60 for the principal domestic sizes, broken egg, stove and chestnut; \$5.10 for peacock; \$3.75 for buckwheat number one; \$2.90 for rice and \$2.45 for barley. The prices are 100, minus per net ton of 2,000 pounds.

### Figures Sustain Waynick Contention That 'Flivver' Drivers Pay N. C. Taxes

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

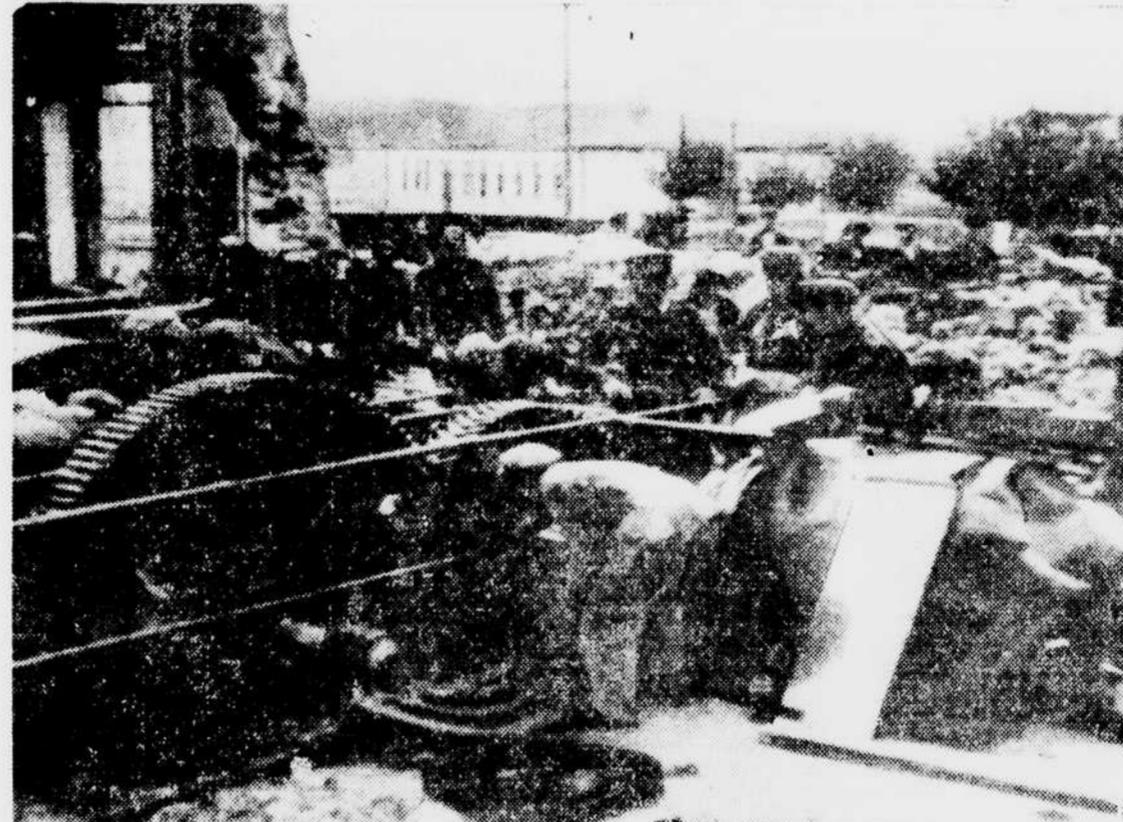
Raleigh, Sept. 12.—It takes no mathematical genius—just a pencil and a knowledge of the most fundamental arithmetical processes—to confirm the truth of the statement which Capus Waynick, High Point editor, made at Monday's much-publicized tax conference, which statement was that it is the "flivver"

drivers" who carry the principal burden of state taxation in North Carolina.

Looking back into the revenue department's tax collection figures for the last three fiscal years, applying the fundamental processes mentioned and recording the results, it is found that of \$232,343,230.90 collected by the office of Revenue Commissioner

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### Nazis Claim to Be Working Russian Mine



According to the official German caption with this photo, which was flashed by radio from Berlin to New York, Nazi soldiers are shown receiving the first ore to come out of the Krivoy Rog iron mine since the machinery was wrecked by the retreating Russians. Krivoy Rog is in the Soviet Ukraine.

### News Seems To Be Reply To Roosevelt

Germany's Formal Stand on President's Broadcast is Deepest Official Secret; Attack on British Convoy Continues.

Berlin, Sept. 12.—(AP)—Germany informed the world today that German submarines had sunk 22 ships from a British convoy in the North Atlantic and still were attacking, and it appeared as though Germany were trying to answer President Roosevelt with actions instead of words.

What formal stand Germany would take on the American President's broadcast last night, however, was shrouded in the deepest official silence.

Adolf Hitler himself, it was obvious to all observers, has reserved the exclusive right to determine Germany's official reaction.

Hardly had foreign correspondents reached their offices after the silent noon press conference when the radio informed the world of the convoy sinking.

A special communique, heralded to German radio listeners by the customary fanfare of trumpets preceding signal announcements, did not foretell the continuing action specifically.

More than 40 ships, heavily protected by swift corvettes and destroyers, gave the submarines their targets, the communique said.

"In a stubborn fight of several days, submarines so far have sunk 22 steamers of a total of 314,000 tons. Two other steamers of 11,000 tons were torpedoed and may be considered lost," it said.

The attack against the enemy convoy is continuing."

Bulletins from Hitler's headquarters made clear that the raid on the British convoy began before President Roosevelt spoke and also that it was still going on.

(The President's orders applied to axis raiders sighted within waters under the protection of which is necessary for American defense.)

### Halifax Lauds Stand

British Ambassador to Washington Says Every Briton 'Greatly Heartened.'

London, Sept. 12.—(AP)—Lord Halifax, the British ambassador to Washington, said today that every Briton has been "greatly heartened" by President Roosevelt's no trespass warning to axis warships and submarines.

Speaking at an aircraft factory, the ambassador, who is in London on consultations, said Mr. Roosevelt's speech was a "most practical example of the help in practical form that the United States is prepared to give us and those fighting with us."

"They realize over there," said Halifax, "just as clearly as we do what is at stake and how true it is that their value, just as much as ours, is measured by Nazi domination."

I am quite certain that the people of the United States will give me what they can, when Hitler achieves his ambition of placing himself in the position of destroying the world—only to exist in the President's words, 'by his condoning grace.'

The disclosure was in a speech by Roosevelt's speech, in which the President spoke of the "little nations" who, carrying the flag of Germany and Italy, "will never cease to be the passive tools of the Nazis."

The opposition Labour Party said, with some satisfaction, that the United States' no trespass warning to the world "is bound to prove effective in protecting the democratic."

There was no implication of the high command by account of the

### 'Lies,' Nazi Says Of FDR Address

Next Move Up To Nazis, Hull Declares

German Spokesman Declares President's Reference to Freedom of Seas Was 'Peak of Hypocrisy' and Denies Charges.

Washington, Sept. 12.—(AP)—Secretary of State Hull indicated today that Germany's action will determine what areas the United States will consider "mine-free" waters, in which American warships will shoot at any vessel that dares to sail in them.

Asked to define the waters concerned, Hull said reporters of must be remembered that the United States commands a world movement of force for the defense of commerce of continents and oceans.

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the chief reason for the division among our people. Employers reluctantly accept burdensome taxation, control over investment credits, disheartening price fixing and the like.

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Fights Occur Among Miners

### Farm Prices And Labor Rates May React Disastrously When War Boom Ends, Babson Says

By ROGER H. BABBON  
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Baltimore Park, Md., Sept. 12.

People in the East are buying cotton for making uniforms and on Sunday and for driving economy and necessary. They are trying to buy and sell business as usual without

standing the great conflict going on in the world today." This is also said

of the manufacturers of various

household and other appliances

which are metal.

Business As Usual?

It is very important that for all of us that the war should be as short as possible. The only way to shorten it is to intensify our production. This means that we must not follow the "business as usual" policy but must make sacrifices where necessary. But this also should mean an end of "labor as usual" and "living as usual."

The attitude of the government is not giving the same rules to all groups as is used to executives. This "priority" which our

employers and laborers seem to enjoy is

the chief reason for the division among our people. Employers reluctantly accept burdensome taxation, control over investment credits, disheartening price fixing and the like.

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### Jap Liberals Score Victory Over Radicals

Manila, Sept. 12.—(AP)—Establishment of national defense headquarters directly under the emperor of Japan evidently represents an important victory for Japanese liberals in their long fight to check the imperialist campaign of radical army officers.

The new organization indicates the extent to which Japan is feeling the

(Continued on Page Two)

### Leaf Offerings Are Heavy

Durham, Sept. 12.—(AP)—Tobacco growers of North Carolina's Middle Belt, cheered by good prices in the first three days of auction, brought heavy offerings to market again today.

Sales on the Durham market yesterday totaled 333,970 pounds at an average price of 29.51 for an aggregate of \$159,952.32. With much of the offerings consisting of cheaper grades, today's sales were expected to approximate 600,000 pounds at an average price of around 30 cents.

Meanwhile, neighboring markets of the Old Belt reported that tobacco already was arriving for the opening of sales next Tuesday.