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Tojo Pledges Axis Adherence

Moscow Claims Nazi Legions Driven Back

Withdrawal From Odessa Is Conceded

Official Soviet Dispatches Say Germans Striking at Moscow's Western Defenses Beaten Back Several Times Yesterday.

Moscow, Oct. 18.—(AP)—German divisions striking at Moscow's western defenses were declared officially today to have been beaten back several times by the Russians yesterday and a Soviet withdrawal from Odessa was pictured as a strategic triumph.

(The Exchange Telegraph in London quoted the Moscow radio as saying the Russians had recaptured Odessa.)

"Fighting was especially stubborn in the western direction, where the Red army beat off several fierce enemy attacks," the Soviet information bureau said in an early morning communique.

The bureau said at mid-day that "fighting continued throughout the night and was particularly heavy in the western direction."

It reported that "on October 17, 14 German planes were brought down near Moscow."

(There still was no word from Moscow, where radio communications were generally limited to transmission of official materials, concerning reports on their capitals that Soviet government leaders had left Moscow for Kazan, 450 miles east.)

(In Washington, however, the State department, said that high officials of the Soviet foreign office had left for a destination in the east.)

All the United States embassy staff except two secretaries and three clerks also left Moscow with Ambassador Lawrence A. Steinhardt, the State department said. They were accompanied by members of the American supply mission, military and naval attaches, two Red Cross representatives and ten American correspondents.)

Conceding that Russian defenders of Odessa had been withdrawn, the information bureau said this operation was according to plan—that they were "transferred by our fleet to other sectors of the front in perfectly orderly manner and without any losses."

Murder Trio To Maryland

Alexandria, Va., Boy and Girls Waive Extradition, Face Trial in Del Air, Md.

Portland, Me., Oct. 18.—(AP)—Waving extradition proceedings, three Alexandria, Va., students—two girls and a boy—charged with murder in Maryland of Grainger G. Browning, 40, were turned over today to officers from that state by Portland police.

The trio, Herbert H. Cox, 16, Ida May Price, 15, and Leona Ellen Cunningham, 14, signed the extradition waiver in municipal court after a ten minute conference with former Judge Willard G. Chapman, appointed by the court as their counsel.

Warrants brought here by Sheriff Walter E. Bennington of Hartford county, Md., and State Trooper Leader H. Thomas, specifically charged each of the three with murdering Browning.

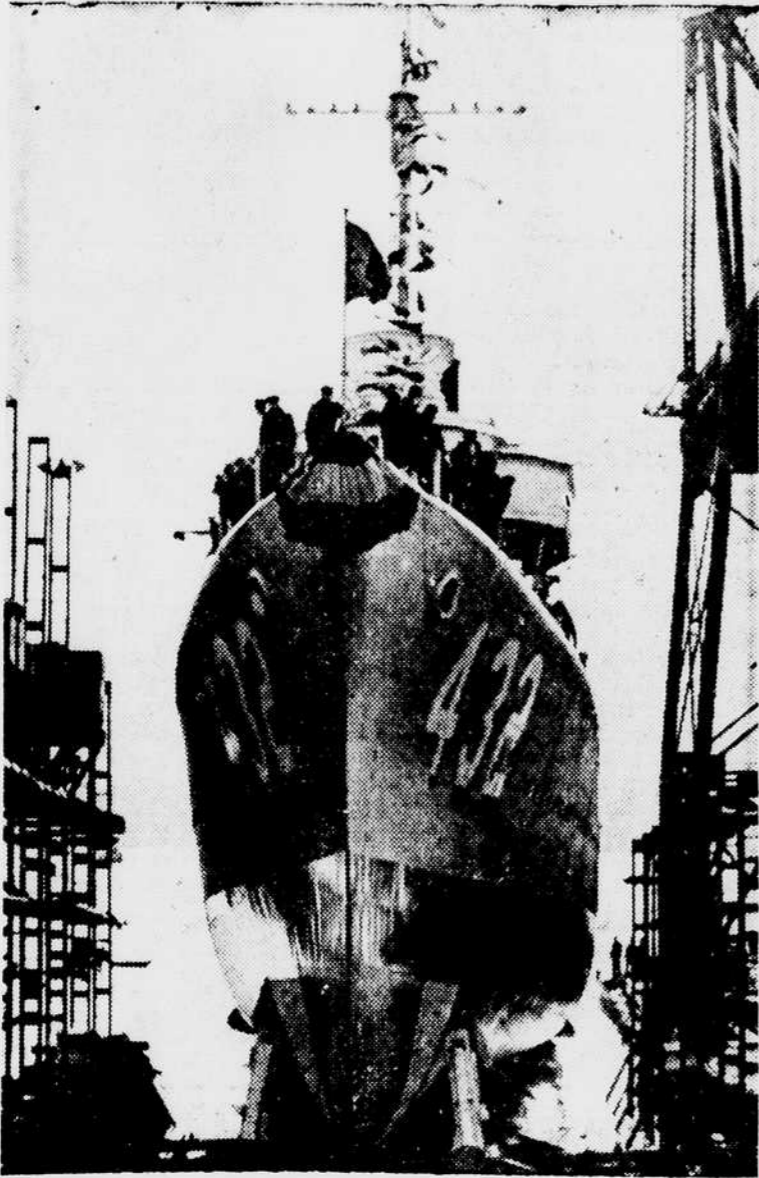
Sheriff Bennington, who was accompanied also by his wife, said they would return by train to Bel Air, Md., with the three later today, while Thomas would return in Browning's automobile in which the trio came here.

As he accepted custody of the three prisoners, Sheriff Bennington introduced his wife to the girls, saying, "she is going to be your mother for the next two or three months." The girls smiled acknowledgement.

Sheriff Bennington said he expected to have the trio back in Maryland.

(Continued on page two)

TORPEDOED U. S. DESTROYER AND SKIPPER



This photo (left) of the destroyer Kearny was made when the vessel was launched at Kennerly, N. J., last year. Despite damage received when she was torpedoed yesterday 350 miles southwest of Iceland, the Kearny was able to proceed under her own power and is believed heading toward some United States port for repairs. Nine North Carolinians were among the crew of the Kearny. The vessel is under command of Lieutenant Commander A. L. Davis (above).

Nazis Sink 12 Vessels From Convoy

German High Command Announces Sinking of Ten Merchantmen and Two Escorting Destroyers After Entering 'Blockade Zone.'

London, Oct. 18.—(AP)—A convoy en route to Britain from North America under formidable naval protection was attacked recently by German submarines after it entered "the blockade zone" and ten merchantmen, totaling 60,000 tons, and two escorting destroyers were sunk, the German high command announced today.

(The communique did not name the destroyers sunk but the attack might have been concomitant with the torpedoing of the U. S. destroyer Kearny off Iceland, for the communique said the action took place over the "last several days.")

(Germany can idly wait as around Iceland as part of her "blockade zone." The Kearny was hit 350 miles southwest of Iceland. The communique ascribed no nationality to the merchantmen and referred to the two destroyers as "enemy destroyers.")

(Since communique on U-boat action usually are issued a few days after operations are completed, it appeared unlikely that the torpedoing of the U. S. destroyer Kearny off Iceland could have been concomitant with the attack on the convoy.)

RUSSIAN TO DEFEND MOSCOW TO THE END

London, Oct. 18.—(AP)—Moscow will be defended to the last ditch, a Communist declared today in a Soviet capital radio station today in describing life in the city under the shadow of German siege.

"One can feel the danger hanging over Moscow in the part of the streets," he said. "New troops and home guard battalions are marching through the squares. Fortifications, barricades and traps for the enemy are being built."

Wine Is Still A Headache To Others Than Drinkers

Early Dispatch Bureau, In The Seaside Hotel, By HENRY AVERILL

Raleigh, Oct. 18.—(AP)—Wine, particularly the fortified variety, is still a headache to more people than those who drink it for the effect of its 20 per cent alcohol.

A notable migraine sufferer from the potent fermented juice is State ABC Chairman B. Grady Johnson, who sits in the middle and gets all the complaints from all sides.

Right now he is faced with several particularly knotty problems which appear to require something of a Solomon to decide.

For instance, here's the matter of labels. The North Carolina law provides that no wine shall be sold which contains more than 20 per cent alcohol, but there are in the hands of North Carolina distributors several thousand cases of wines labeled "Contains from 19 to 21 per cent alcohol." That, of course, makes the beverage prima facie of doubtful legality in North Carolina. If the wine contains the 19 per cent, all well and good, but if it goes to the full 21 per cent it is outlawed. In any case, Chairman Johnson believes the law is violated by the sale of wine with this label.

The wine people contend, however,

ship-arming legislation to the Senate foreign relations committee. The committee is scheduled to decide about hearings Monday.

The measure, a simple resolution repealing the neutrality act ban against vessels carrying protective arms, passed the house 239 to 138 yesterday shortly after word was received of the torpedoing of the American destroyer Kearny off Iceland.

New Jap Premier



The regime of new Premier Lieut. Gen. Eiki Tojo, 56, of Japan, is expected to be strongly militaristic and strongly pro-Axis. Gen. Tojo, succeeding Prince Konoye, who was friendly to the U. S., is known to be a frank admirer of German Army methods.

Torpedoing 'Interesting' To Germans

Berlin, Oct. 18.—(AP)—Authorized German sources said today they found it "interesting" that the reported torpedoing of the U. S. destroyer Kearny happened at the very moment when the neutrality debate was at its height in Congress.

Saying they had no information at the German Embassy on the incident and thus no official reaction could be given, they added that President Roosevelt "and his whips in Congress undoubtedly find the incident most welcome in order to hasten their aggressive program."

These sources then produced a collection of American editorial comment and excerpts from speeches of Secretary of the Navy Frank Knox which they said showed that "the American official policy is hankering after just such an incident to support the administration's program of running after war."

Jap Premier To Go Ahead With Policy

Tokyo Newspaper Says 'Attitude of United States Has Stiffened So Much as to Arouse the Great Indignation' of Japan.

Tokyo, Oct. 18.—(AP)—Lieutenant General Eiki Tojo, premier and head of Japan's predominantly military new cabinet, pledged his government today to go ahead firmly with its east Asia and axis adherence policies despite increasing tension in the Pacific.

Even as the army-trained premier announced his course, the newspaper Nichi Nichi told Japan "the attitude of the United States has stiffened so much as to arouse great indignation of the Japanese nation."

"It is not too much to say that there is being developed a very critical situation in which any unexpected contingency may occur at any time," the newspaper declared.

General Tojo told the press after his first meeting with his cabinet that Japan would follow her three-point course: continuing her efforts to create a co-prosperity sphere in East Asia, pressing for completion of the China affair, and adherence to her treaty obligations.

An information board spokesman added that "in view of the unprecedentedly grave situation prevailing at present, the government intends externally to promote cordial relations with friendly powers and internally to perfect the national defense of the state." (The German radio expressed the reich's approval of the new cabinet which a Berlin broadcaster said "strengthens the position of the powers marching into the new age under the sign of the tripartite pact, regardless of British and American opposition.")

There were reports that Yosuke Matsuoka might come back into the government. It was indicated that the former foreign minister who negotiated Japan's part in the axis pact as well as her pact with Soviet Russia might be named as advisor to the foreign office.

The new foreign minister, Shigemitsu Tojo, has served Japan as ambassador both in Berlin and Moscow.

Davidson President Inducted

Davidson, Oct. 18.—(AP)—Dr. John Rood Cunningham, 13th president of Davidson college, took the oath of inductation this morning in the presence of three former presidents, a host of distinguished educators and hundreds of alumni and friends. He pledged himself to carry on the traditions of the Presbyterian church college.

Dr. Cunningham discussed "the church college of tomorrow," outlined its obligations and described its fundamental purpose as "Christian education, education with a soul, education which looks to guiding principles, to spiritual anchorage, to Christian stability and integrity."

Dr. Cunningham's address came immediately before the awarding of honorary doctor of laws degrees to four visitors—Governor J. M. Broughton, S. Clay Williams of Winston-Salem, Dr. Theodore S. Green, of Princeton University, Dr. Daniel S. Gage, professor of philosophy at Westminster college, Fulton, Mo.

Dr. Cunningham is a former pastor of the First Presbyterian church of Winston-Salem.

RED BOATS SINK GERMAN VESSELS

New York, Oct. 18.—(AP)—The British radio today relayed a Moscow broadcast which stated that Russian torpedo boats of the Baltic fleet had torpedoed and sunk a German cruiser and two German destroyers. A second cruiser was declared to have been torpedoed after which it "came to a standstill."

WEATHER

FOR NORTH CAROLINA
Mostly cloudy with light scattered showers this afternoon, tonight and Sunday, except moderate showers in mountains; slightly warmer in interior tonight.

Eight Red Armies Annihilated

Babson Offers Advice On Buying Of Stocks

By ROGER W. BABSON (Copyright, 1941—Publishers Financial Bureau, Inc.)

New York, Oct. 17.—There are half a dozen simple rules which every investor should consider when buying stocks. These are:

- (1) Prefer companies without debt or embarrassing liabilities.
- (2) Prefer companies with natural resources, real property, or marketable equities.
- (3) Prefer companies with goodwill, trademarks and assets which are difficult to duplicate.
- (4) Prefer companies which cater to consumers and enjoy a "repeat" business.
- (5) Prefer companies whose issues are selling for not in excess of their book value.
- (6) Prefer companies with a satisfactory earnings record.
- (7) Be sure that directors and officials are men of high character, sound judgment, with a personal financial interest in the company.

Morgenthau's Theories

Most readers know that the market had quite a break following the recent statement of Secretary Morgenthau regarding taking away all earnings of a company in excess of 6 per cent. If he would guarantee 6 per cent to all legitimate companies, or even guarantee the continuance of what they are earning up to 6 per cent, this would be something to discuss. To say, however, that a businessman should take all losses on existing and new enterprises and then have the profits on the one that does make good limited to 6 per cent on the capital invested is, of course, fundamentally unsound. This was the argument first used by the Russian radicals in bringing about communism and later by Hitler and his crowd in bringing about nazism.

I do not for a minute fear that Congress will adopt any such crazy legislation. It would be much harder on small businesses than large businesses and be the end of new enterprise. This, I have already stated through these columns. It, however, should be recognized that treasury department is thinking along these lines. The Good Book says, "as a man thinketh in his heart so is he." This means that it is not what we accomplish so much as it is what we think. It is much better to think good thoughts and fail temporarily than to think wrongly and temporarily succeed. Hence, this week's message.

Investors Can Buy Insurance
Investors who have their money in companies which are seeing their employees ruthlessly "organized" by the CIO come to me in great distress. They attempt to show me that after companies are organized by labor leaders into closed shops they never again earn what they did when there was free bargaining between the employer and the wage workers. They also insist that it is not primarily a question of wage rates, but rather of discipline and efficiency. They claim that under a closed shop the labor leaders really rule and the efficiency greatly declines.

I tell these investors to quit their worry, give up struggling against the inevitable and gradually shift their holdings into something which will profit by this labor union move. For instance, when wages are advancing and working hours reduced, wage workers' families spend much more in the local stores. Hence, I advise selling the stock in the XYZ Manufacturing company and buying the stock in the leading grocery store corporation which is feeding the neighborhood of the XYZ Manufacturing company. Also some shares in the leading department stores of that community may be a purchase. Investors who have taken such advice have come out satisfactorily.

Studying Book Values
Cannot the same principle be used in connection with Mr. Morgenthau's threat of allowing only 6 per cent on book values? For instance, I understand that the book value of Standard Oil of Ohio is around \$65 a share, while this stock is selling at only about 40. If the government

Nazis Claim Much Booty

Germans Report Destruction of Grand Army of Russian Marshal Timoshenko.

Berlin, Oct. 18.—(AP)—Annihilation of the grand army of Russian Marshal Semion Timoshenko, consisting of eight full armies—perhaps a million and a quarter fighting men—was claimed today by the high command in announcing a victorious conclusion of the encirclement battles of Bryansk and Vyazma on the Moscow front.

The mop-up of scattered Russian forces still continues, the communique from the field headquarters of Adolf Hitler declared.

It said 648,196 prisoners had been taken along with incalculable booty. "The bloody losses of the enemy again were heavy," the war bulletin added.

The armies, the report said, were made up of 67 infantry divisions, six cavalry divisions, seven tank divisions and 36 tank brigades.

War material seized was listed as including 1,197 armored vehicles of all kinds and 5,229 pieces of artillery.

Pepper Backs Wider Repeal Of Neutrality

Washington, Oct. 18.—(AP)—The decisive House approval of legislation to arm merchant ships prompted Senator Pepper, Democrat, Florida, today to ask the Senate to go even further and wipe out the neutrality act's ban against American merchantmen travelling to belligerent ports.

A member of the Senate foreign relations committee, Pepper said that the heavy House majority indicated the temper of the country and Congress.

Pepper, who has been in the forefront of all-out measures against Germany said he would offer his amendment to broaden terms of the

LEE O. GREGORY DIES IN DURHAM AFTER OPERATION
Durham, Oct. 18.—(AP)—Lee Overman Gregory, 41, assistant attorney general of the State of North Carolina, died today at Duke Hospital after an operation yesterday afternoon. He was suffering from a brain abscess. Mr. Gregory was the son of the state senator, F. C. Gregory of Rowan county, and Mrs. Gregory, and the grandson of the late U. S. Senator, Lee Overman.

(Continued on Page Two)

(Continued on Page Eight)