



Henderson Daily Dispatch



ONLY DAILY NEWSPAPER PUBLISHED IN THIS SECTION OF NORTH CAROLINA AND VIRGINIA

TWENTY-NINTH YEAR

LEASED WIRE SERVICE OF THE ASSOCIATED PRESS

HENDERSON, N. C., THURSDAY AFTERNOON, JANUARY 22, 1942

PUBLISHED EVERY AFTERNOON EXCEPT SUNDAY

FIVE CENTS COPY

Fresh Jap Troops Invade Luzon

Reds Slash At Hitler's Rear Guard

German Forces Retreating Seven Miles West of Mozhaik; In Africa, Axis Stiffens Resistance, Claiming Some Gains.

(By The Associated Press) Russian troops slashed at the rear guard of Adolf Hitler's retreating German armies seven miles west of Mozhaik today, as axis forces in Africa stiffened their resistance to the British counter offensive.

On the north African front, British troops who had swept more than 200 miles across the Libyan desert in the retreat of General Erwin Rommel's forces met their first setback in the two-month-old counter offensive.

Carthage headquarters acknowledged that three strong axis columns made a "tense" reconnaissance in force into British positions yesterday below Mersa Brega, a coastal town on the Gulf of Sirte, about halfway between Agadabia and El Agheila.

Agadabia is 70 miles northeast of El Agheila. The German high command asserted that axis armored columns drove the British back in a surprise attack and declared that the British were fleeing toward Agadabia.

A bulletin from Hitler's field headquarters, contrasting with the gloomy terseness of recent communiqués, reported that the Fuehrer's troops had beaten off Russian attempts to break the encirclement of Sevastopol. Black sea naval base, and that repeated Soviet attempts to break out of Leningrad had been "frustrated."

Russian dispatches from the southwestern front—a term that might refer either to the Crimea or the Ukraine—reported that Soviet cavalry and artillery had crushed a series of violent German counter attacks.

A Red Army bulletin said 1,400 Germans were killed in heavy fighting in the south and the Leningrad radio reported 700 Nazis slain in action on and around the old czarist capital in the north.

Power May Be Rationed

Olds Tells House Committee That Non-Defense Use of Electricity Must Be Cut.

Washington, Jan. 22.—(AP)—Congress received from government power officials today a blunt warning that the nation faces a rationing of electricity—possibly this year, that may even dim private homes to conserve power for the defense program.

That possibility was voiced by Leonard Olds, chairman of the federal power commission, and G. O. Wes, senator, acting power manager for the Tennessee Valley Authority, in testimony during House appropriations committee hearings on the independent offices supply bill approved today.

The rationing of electricity for homes, offices, night clubs and other civilian purposes, Olds told the committee, "is going to be necessary and is going to be done," and a survey to determine the power supply of the various areas is being made "to determine just what loads can be cut off without materially interfering with the normal life of the community."

Olds said he believed the emergency would call for power rationing in many regions "by the end of this year."

While it is hoped and planned, he added, that curtailment can be effected "without serious dislocation of the normal life of the people," it may mean "a great deal more than simply the elimination of neon signs, ornamental street lighting, the use

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Americas United Against Axis



Shown above are delegates and their aides at the Pan-American conference in Rio de Janeiro, in session at the Tiradente Palace. Last night, Argentina and Chile, long considered the greatest obstacles to a unanimous hemisphere stand, swung into line with the 19 other American republics in a declaration of intention to sever diplomatic relations with the axis.

Argentina Again Objects

Way Opened For Break

Argentina and Chile Accept Four-Point Compromise for Break With Axis.

Rio de Janeiro, Jan. 22.—(AP)—An agreement among five nations, including reluctant Argentina and Chile, on a much debated proposal for a concerted diplomatic break with the axis opened the way today for a unanimous stand by the 21 American republics against Germany, Italy and Japan.

Participating with Argentina and Chile in working out a non-urgent compromise resolution were the United States, Brazil and Peru. The action drew favorable comment in conference circles and little difficulty was anticipated in obtaining formal approval from the remaining 16 nations represented in the conference.

The agreement, as re-written, did not stipulate that the break must be immediate and eliminated the original provision for a simultaneous cutting of economic ties with the axis. It stated in a carefully worded section that the constituted powers of the governments signing it must be in accord, indicating that the Argentine congress would have to pass on it for that nation. The Argentine delegation accepted the compromise without reservation.

However, the Chilean delegation specifically stated that the agreement would have to be put before the Chilean parliament before adoption.

CHARLOTTE DAIRIES CURTAIL DELIVERIES

Charlotte, Jan. 22.—(AP)—Dairymen supplying Charlotte put into effect today a policy of making deliveries every other day instead of every day as heretofore. The move was designed to conserve truck tires.

PIPE LINE SERVICE STARTS FEBRUARY 15

Charlotte, Jan. 22.—(AP)—Oil executives here said today that despite difficulties encountered thus far, pumping of petroleum products through the Plantation Pipe Line Company's 1,200-mile line from Baton Rouge, La., to Greer, S.C., was expected to begin about February 15.

Meanwhile, the company, victorious in a legal contest initiated by southern team carriers, will publish soon under authority of the interstate commerce commission a schedule of pumping charges. The line, it was said, cannot begin delivery of gasoline and other petroleum products until the rates have been fixed.

HIGHWAY SURPLUS TO BE ALLOCATED

Raleigh, Jan. 22.—(AP)—Governor Braghton announced today that he would appropriate \$3,000,000 from the highway fund surplus for betterment of roads.

The money will be used mostly to improve secondary roads. The commission will meet here tomorrow, and the governor expects to make the money available at that time.

The highway surplus—also called unallocated revenues—was swelled considerably last year by record breaking returns from the gasoline tax and the sale of automobile license plates.

Wall Street Is Happier

Babson Gives Rules for Investors; Recommends Buying of Certain Stocks.

By ROGER W. BABSON. Copyright 1942 Publishers Financial Bureau, Inc.

New York City, Jan. 22.—For the first time in several years there is a gleam of real hope in Wall Street. Stock exchange seats are already selling 40 per cent higher than the 1941 low. Stanley, Morgan & Co., probably the wealthiest bond house in America, is, for the first time, buying one or more of these seats. The Securities Exchange Commission is moving to Philadelphia away from the socialistic atmosphere of Washington. Consolidations of investment firms and reductions in operating costs are once more putting these houses into black ink.

Watch Wall Street.

It is easy to criticize Wall Street. It has committed many sins in the past. Let me say, however, that no business is today transacted with more scrupulous honesty than now pervades the stock and bond markets. Moreover, the work of investment bankers and brokers is absolutely essential to all lines of business. You, my reader, may never have seen a stock or bond, but your employment and wages depend very largely upon whether your employer and his banker have an active and free market for the securities which they own.

Another thing should be recognized about most Wall Street firms. They have a 90 per cent correct record for "calling the turns." They have good "noses" and can smell far ahead. They sense any change in the nation's sentiment better than any other group. This does not mean

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Modification Is Sought

Member of Argentine Delegation Raises Question Regarding Phraseology.

Rio de Janeiro, Jan. 22.—(AP)—A member of the Argentine delegation to the Pan-American conference raised an eleventh hour objection today to the turn of an important phrase in the drafted resolution for unanimous American breach of relations with the axis—a point which cast a shadow on previously indicated unanimity.

The Argentine foreign minister and head of that country's delegation, Enrique Ruiz Guzman, meanwhile, said he approved the idea of modifying the phrase. He had added that the delegation was awaiting final word from Buenos Aires.

A member of the delegation said his group would seek two modifications in the text of the agreement this afternoon. The first change would be to drop the word "collective" at the end of article four to make the resolution say that consideration be held before the resumption of any axis relations, thus to establish that the decision is merely "unanimous" and not "collective." Other countries expected this change to be accepted.

But the other objective, a proposal to change the wording of key article three, was expected to produce a fight. As article three stands it would have the American republics declare that they "cannot continue" diplomatic relations with Germany, Italy and Japan.

The Argentine proposed to change the Spanish text for "cannot continue" to "cannot continue," which, freely translated, means "perhaps will not be able."

Cotton Prices Much Higher

New York, Jan. 22.—(AP)—Cotton futures opened 30 to 40 cents a bale higher. Mid-day prices were \$1.05 to \$1.10 a bale higher; March 18.60, May 18.75; October 18.99.

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Navy Rushes Hunt For Enemy U-Boats Off Eastern Coast

Disclosure of Two New Sinkings Off Carolina Coast Raises to Six the Number of Victims of Subs; 75 Crewmen Lost.

Washington, Jan. 22.—(AP)—The Navy rushed its Atlantic submarine hunt today with the added zest of military operations as a result of the agreement reached in Rio de Janeiro at the conference of foreign ministers.

Announcement of the intention of all American republics to break off relations with the axis powers raised the possibility that the considerable land and naval forces of the South and Central American republics would be joined together to guard vital hemisphere commerce against any attack by New enemy submarines.

When the Atlantic coast demonstrated that the need of guarding ships entering a country plan could be worked out.

The Navy's disclosure that the 5,269-ton freighter City of Atlanta and the 3,789-ton Latin steamer Ciltvaira had been attacked and probably sunk brought to six the list of submarine victims this week. Four of the six ships were known to have gone to the bottom, and the toll of dead or missing crewmen rose to 75.

Attacked off the Carolina coast Monday, the City of Atlanta sank so fast there was no time to launch life boats. Later the same day, the Ciltvaira, torpedoes amidships, was abandoned by her crew in a flooded and sinking condition. Forty-six men were missing in the two attacks, which were announced as the 23 survivors had reached port.

The Navy was silent on details of the Atlantic hunt and likewise had no new announcements in progress of sea fighting in the Pacific theater.

Britain's Task Now To Attack On Continent

London, Jan. 22.—(AP)—The British war plan now is to organize a continental offensive, Air Minister Sir Archibald Sinclair told the house of commons today in opening debate on the adequacy of British air force against invasion of the British Isles.

He said that the RAF's new air force doctrine requires a "second" force to be organized to attack a variety of number of airbases. The new air force doctrine is a part of a new concept.

Such a government spokesman in the debate said that the army's chief job now was to organize "the greatest possible striking force for offensive operations on the European continent."

Nelson Forms Field Service Division

Washington, Jan. 22.—(AP)—Washington awoke today to the realization that Donald M. Nelson is giving the war production job back to the whole country.

Nelson's announcement that he intended to establish a field service as a vital part of the war production board was regarded here as a step toward decentralizing the war effort.

Officials said such a move, sending WPB men into the industrial centers of the country where the battle of the assembly lines is being fought, would shorten a great part of the

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Forces Land At Lingayen And Batan

General MacArthur's Tough Band of Defenders Resist Strongly; In Malaya, Crucial Test Nears in Battle of Singapore.

(By The Associated Press) Japanese troops on Luzon island—already estimated to number 200,000—are being reformed and the invaders again are heavily attacking General MacArthur's fiery Philippine defenders, a war department announcement said today.

The communiqué reported sea-borne Japanese troops were being landed in Lingayen gulf, 110 miles north of Japanese-held Manila, and in Sibuyan bay near the approaches to Batan peninsula.

As evidence of the toughness of General MacArthur's little band, the entire Japanese 14th army and a number of other units were officially reported now operating on Luzon island.

In Malaya, it seemed apparent that a crucial test in the struggle for Singapore was in progress.

A critical, perhaps decisive battle raged in the Malayan jungles 70 miles north of Singapore as British, Australian and imperial Indian troops launched a major counter offensive to smash the main Japanese invasion armies in the Muar river sector.

Behind the lines, British forces eluded a heavy toll of Japanese transport columns north of Parti Baling, destroying many vehicles and machine gunning troops.

Singapore itself, under almost incessant aerial assault, grimly counted a toll of 304 killed and 735 wounded in yesterday's 100-plane Japanese attack—comparatively surpassing the worst raids on London at the height of the blitz.

A communiqué said 625 wounded were admitted to hospitals and 100 others treated at first aid posts. But the beleaguered island colony was cheered by the arrival of powerfully gunned Hurricane pursuit fighters, and when 30 Japanese warplanes roared over Singapore, again today RAF fighters were credited with shooting down five bombers and damaging a fighter.

In the Dutch East Indies, where Japan's far flung invasion hordes are striking in heavy force, the Dutch announced they had completely destroyed the great oil wells and oil plants at Balikpapan, on the east coast of Dutch Borneo.

Dispatches from the Malayan front.

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Supply Bill Is Approved

Committee Submits \$2,096,138,875 Appropriation for Independent Agencies.

Washington, Jan. 22.—(AP)—A \$2,096,138,875 supply bill for independent agencies of the government in the next fiscal year, carrying \$984,110,800 for the shipbuilding program of the maritime commission, went to the House today from its appropriations committee.

The total was about \$3,000,000 less than President Roosevelt's budget recommendation and \$1,257,399,349 under comparable appropriations for this fiscal year. But the committee said that subsequent supplemental funds probably would offset that apparent reduction.

The committee reported that on January 1, the maritime commission had contracted for construction of 968 vessels and had made other awards for which contracts had not actually been let. Chairman Land of the commission told the committee December 9 that 1,000 ships had been contracted for and contracts would be let for 423 more before June 30.

Other major appropriations were: Tennessee Valley Authority, \$138,100,000; Veterans' administration, \$119,969,038; executive office of the

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British Seize Offensive In Jungles

(By The Associated Press) A major British offensive, seizing the initiative for the first in the Malayan campaign, were reported today as Japan's main invasion armies in a full scale counter offensive 70 miles north of Singapore today while reinforcements of 200,000-man-hour troops rush to Singapore.

The newly arrived contingents, single-centers with the greatest fire power punch of any plane of its type, are equipped either with twelve machine guns or four light cannon and machine guns.

Another major development in the flaming Pacific conflict apparently bore out fears that an invasion of Australia was imminent.

A broadcast from Rabaul, oft-bombarded capital of Australian-occupied New Britain, flashed word that a flotilla of eleven Japanese ships had been sighted off nearby Watom island, and immediately after this report communications with Rabaul ceased.

Observers in Melbourne said it was presumed that military forces had already evacuated New Britain, which lies only 800 miles northeast of Australia, in anticipation of a Japanese landing.

The Japanese flotilla was sighted 30 to 40 miles off Watom island, half an hour before the Rabaul radio sent its last message at 4 p. m. (1 a. m. EST).

It was believed that the radio and telegraph stations had been destroyed by British forces before evacuation.

China Peace Move Feared

Washington, Jan. 22.—(AP)—Senator George D. Nye, Georgia, stressed today that the Japanese would try to reach peace with China would be the best way to bring about peace in the Pacific.

George, a member of the Senate foreign relations committee, was in town as a member of the British chamber of commerce and chairman of the committee on the Pacific.

He said that the responsibility for ground defense of the U.S. rests with the army, but that the RAF had assumed command under army direction of key stations on the Pacific theater.

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New Industry In Prospect For State

Daily Dispatch Bureau. In the Sir Walter Hotel. By BOB THOMPSON

Raleigh, Jan. 22.—To Carl Bailey, former State senator who now practices law in Plymouth, should go a great deal of the credit if the duPont interests are successful in their effort to recapture titanium in profitable quantities from the sand bottom of Albemarle Sound.

In fact, Bailey should have credit whether the experiments are successful or not, for he is the man who has done most to interest duPont in

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