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12 United Nations Ships Lost

Red Drive Narrows 'Escape Corridor' On Moscow Front; Dutch Continue Java Fight

Dutch Troops Authoritatively Reported Continuing Resistance on Java, Celebes and Sumatra; Aid for Australia Urged.

(By The Associated Press) Dutch troops were authoritatively declared today to be fighting on against the Japanese in Java, battle-scarred heart of the Netherlands East Indies which Tokyo claimed last week-end, as well as on the islands of Celebes and Sumatra.

Lieutenant Governor van Mook of the NEI announced the continued resistance at Melbourne, saying refugee officers were still in radio contact with Sumatra and "hope to establish additional communication with Java."

Closest cooperation between Australia and the United States in the Pacific was urged by Prime Minister John Curtin in a broadcast with a declaration that if the invasion-menaced commonwealth falls to the Japanese "the Americas are wide open."

Two Australian ships were reported missing and presumed lost on a voyage from the Java sea battle area.

Close to Australia, Japanese fighters attacked Port Moresby, New Guinea, with machine gun and cannon fire. The air ministry dismissed this with the observation that "one member of the RAF was wounded in the leg."

On the Burma front, British headquarters indicated that Japanese invasion forces were attempting to outflank British troops holding the Rangoon-Mandalay road north of Pong.

Eight German Planes Downed

London, March 14.—(AP)—British fighter planes shot down eight German Messerschmitts in repeated dogfights over the English channel today in a mid-morning follow-up of overnight raids in which the Rhine industrial city of Cologne was hit hard by British bombers, an official announcement said.

The statement declared that not a single British plane was lost in the channel battle.

FDR Urges Slower Speed

Washington, March 14.—(AP)—President Roosevelt has written state governors asking their cooperation to conserve rubber by limiting the maximum speed of all motor vehicles to 10 miles an hour and requiring frequent checking of tires for possible repair or retreading.

The White House announced today that identical letters had been sent to the governor of all 48 states.

"Reduction of speed limits and regular inspection of tires," the President said, "constitute another important means of federal-state cooperation in the war effort."

Scorched Earth Policy Leaves Indies Shambles

Hero and His Girl



Hero of Pearl Harbor, Sgt. Joe Lockard looks happy as he attends a banquet with his sweetheart, Pauline Seidel, in Williamsport, Pa., his home town. The couple would neither deny nor confirm report they had already eloped to Maryland.

Dutch Authority in London Says Rich Oil Fields of Dutch East Indies Valueless to Japanese for Some Time.

London, March 14.—(AP)—The unprecedented thoroughness of the scorched earth policy in the rich oil fields of the Netherlands East Indies turned them into a shambles and made it extremely unlikely that they would be of any value to the Japanese for some time, a Dutch authority declared today.

J. B. Ave. Kessler, managing director of the Royal Dutch Petroleum Company, which owns the greater part of the oil wells in the Dutch East Indies, told of the extent of the destruction in an interview given to the Netherlands Indies news agency Anef.

Kessler said that whole settlements were destroyed, that Dutch families sacrificed their homes and all they had in the world as they shared in the effort to beat Japan.

"Each area was turned into a sea of flame which gradually changed into a dismal desert of ruin," the oil official said, telling how oil tanks, pumping stations, power plants, pipelines, store houses, and the conveniences of swimming pools, canteens, playing fields and theatres were destroyed.

SENATORS SHARPEN KNIVES AWAITING FARM BILL DEBATE

Washington, March 14.—(AP)—Encouraged by success of the House economy bloc in slashing \$56,570,722 from the farm supply bill, Senate advocates of earlier non-defense expenditures eagerly awaited today their chance at the \$771,535,137 measure.

TWELVE SHIPS SUNK IN CARIBBEAN AREA

Berlin (From German Broadcast), March 14.—(AP)—A special bulletin of the German High command claimed tonight the sinking of twelve merchant vessels totaling 70,000 tons and including three tankers, in Caribbean U-boat operations.

(The first broadcast of the German announcement did not state the period covered by the claim.)

Soviet Counter Offensive Rolls On Toward Smolensk, Steadily Closing Trap About Germans in Rzhev - Vyazma Region.

(By The Associated Press) Russian troops were reported to have narrowed the "escape corridor" of Adolf Hitler's armies on the Moscow front to 20 miles today as the Soviet counter offensive rolled on toward Smolensk and crushed desperate German attempts to strike back.

Smolensk, 239 miles west of Moscow, is the key hazel base on the entire central front.

General Guderian, commander of the German forces now virtually bottled up in the Rzhev-Vyazma region.

The lone channel of retreat was cut to a width of 20 miles, presumably near Durovo, on the Vyazma - Smolensk highway about 35 miles west of Vyazma.

Russian troops had last been reported 70 miles apart in that area.

Information was lacking on the number of German troops threatened by the huge Red army encirclement, but at the peak of the Nazi offensive against Moscow between 600,000 and 1,000,000 Germans were reported operating in that region.

Eleven "populated places" were wrested from the Germans in the drive toward Smolensk, the Russian communique said.

In the Crimea, the German high command said, Red army forces strongly supported by tanks and planes unleashed a new assault upon German-Rumanian positions on the Kerch peninsula but were thrown back "in hard fighting."

The Kerch peninsula, mostly recaptured by the Russians, is the gateway to the rich Caucasian oil fields.

Soviet front line dispatches said 14,000 Germans had been killed in 15 days of fighting in the battle of Naraya Russa, 120 miles south of Leningrad, where the 21 16th army had been trapped for a month.

In aerial warfare, British RAF bombers struck overnight at the Rhine industrial city of Cologne, dropping a "great weight" of high explosives and setting huge fires, the London air ministry reported.

Berlin acknowledged that various places in western Germany and especially residential districts in Cologne were bombed as RAF bombers pressed their new pressing offensive to blast Germany's war frontiers.

Hitler Proposes Japan Join In Scheme Of World Conquest

London, March 14.—(AP)—A responsible foreign diplomatic source said he had information that Adolf Hitler had proposed a grandiose scheme of world conquest to Japan involving a Japanese attack on Russia and a joint German-Japanese campaign in Africa.

This source said he had "absolute verification" of reports that a Japanese military mission had been sent to Vichy government Madagascar, off the African east coast.

Hitler's proposal to Tokyo, this source said, apparently involved a Japanese attack on the Indian subcontinent from Burma and, at the same time, attacks south and east

Africa to cut the British and American supply lines around the cape.

2. Japan would attack Russia from Manchukuo "when the time is ripe" in an effort to help Hitler force the Soviet Union into a separate peace by "autumn" if possible.

3. Hitler would "force" the Vichy government to help supply General Rommel's main force in north Africa, and hand over two French battalions for raids to keep British and United States naval forces busy in the Atlantic.

4. Italy would be required to use her navy in a mid-directed Mediterranean sea campaign intended to break through to the Indian ocean to unite with Japan.

U. S. Loses Cruiser And Destroyer

Joint British Admiralty-U. S. Navy Department Communique Reveals Sinkings in Battle of Java on February 27.

Washington, March 14.—(AP)—The American cruiser Houston, the American destroyer Pope and ten other warships of the United Nations were lost in the battle of Java, the Navy disclosed today, adding that a fifth allied ship was reported beached and presumed lost.

In the great battle in which they went down—British, Australian and Dutch along with the United States vessels—the United Nations accounted for eight Japanese warships.

The action was on February 27 between Bawean island and Soerabaya and home in its devastating fury through effects of the United Nations forces to block the landing of Japanese troops from Sumatra.

The allied losses were made public in a joint British admiralty and U. S. Navy department communique which listed the allied losses as:

Cruisers—the Houston, United States; the Exeter, British; Perth, Australian; Java, Dutch; Deruyter, Dutch.

Destroyers — Pope, United States; Kortenaar, Dutch; Eclair, British; Jupiter, British; Encounter, British; Stronghold, British.

Others were the Yorda, Australian sloop; and the Eversten, British destroyer, which was listed as beached and presumed lost.

The Japanese losses, according to the early report obtained by the Navy, were one cruiser hit and burning, a destroyer sunk, a cruiser damaged, a destroyer sunk, a cruiser on fire and possibly sinking and three destroyers on fire and sinking.

The greatest naval encounter of this war was fought in a screen of smoke put up by both Japanese and allied warships.

The Japanese force consisted of at least nine cruisers, the Navy said, of which two were 10,000-ton ships armed with eight-inch guns.

The Japanese cruisers were accompanied by two flotillas of destroyers.

As described by the Navy, the action started at "darkness" and almost at once one of the Japanese destroyer flotillas launched an attack but this was driven off by allied cruisers, and one of the enemy destroyers was seen to be hit by shells from the Perth.

Soon after, the other Japanese destroyer flotilla launched a second attack and while action was being fought the Exeter was hit by an eight-inch shell.

She was driven to reduce speed and dropped out of the line.

Only one ship remained in the attack line, the Perth, the 20th-anniversary dispatch, Kirtland, "She sank."

FRED L. SEELEY, SR. DIES IN ASHVILLE

Asheville, March 14.—(AP)—Fred Lee Seeley, Sr., Asheville philanthropist and former state utilities commissioner, died at his home on Sunset Mountain this morning at 4:30 o'clock, following a brief illness. He was 79 years old.

Yugoslav Guerillas Increase Resistance

Wheat Penalty Held Invalid

Dayton, Ohio, March 14.—(AP)—A three-judge federal court held invalid today federal government imposition of 19 cent a bushel penalties on wheat grown in excess of AAA marketing quotas.

It was a two-to-one decision. The majority opinion made no mention of the wheat control act's constitutionality.

Justice E. A. Tamm, the dissenting judge, held that the act was constitutional.

The case, brought by Montgomery county farmers against Carl R. Helke, county agricultural adjustment administration chairman and Agriculture Secretary Wickard, was the first of its kind in the nation.

Survivors Of Sinkings Reach Port

San Juan, Puerto Rico, March 14.—(AP)—Twenty-six of the probable total of 67 crew and passengers of a small U. S. merchant ship torpedoed and sunk on March 9 have reached Hartford and Chicago ports, it was confirmed here today.

Some survivors were rescued after three days in the water, while a small vessel picked up two others after five days on an unprovoked raft without food or water.

Twenty-four members of the crew of a Norwegian tanker also arrived here. They were picked up by the Navy after 60 hours in the water. One was dead, with seven crewmembers on the Norwegian ship is still missing.

LOCAL PERSONS FORM FARMS CORPORATION

Raleigh, March 14.—(AP)—Secretary of State Fred Foy issued the following charter:

Johnston Farms Corporation, of Warrenton, with 100 shares of unorganized stock and three shares authorized by J. B. Bridges, Jasper H. Helke and Lucille Parham of Henderson.

Teachers To Talk Salaries, Amendment And Ninth Month

Daily Dispatch Bureau, In the St. Walter Hotel, By BOB THOMPSON

Raleigh, March 14.—Some three thousand teachers—fewer than usual because they have less rubber and had to pay more income tax—will assemble in Raleigh for the annual convention of the North Carolina Education Association next week. They are expected to do these things:

1.—Decide unofficially whether to put on an all-out campaign for the passage of the constitutional amendment to reorganize the State Board of Education, or pass a resolution and let it go at that.

2.—Start their campaign to persuade the next legislature to give them more money and sick leave

Belgrade Newspapers Report Surprise Attacks on Pro-Axis Government Forces, Raids on Villages and Other Disorders.

Bern, Switzerland, March 14.—(AP)—Despite recent official declarations that various part of axis-occupied Yugoslavia have been cleared of irregulars, Belgrade newspapers indicate increased guerrilla activity as spring approaches.

Hardly a day passes that these newspapers do not carry news of surprise attacks on pro-axis government forces, raids on villages, sniping at trains and other disorders.

General Mihailovic, who has resisted Germans, Italians and the axis-sponsored government alike since Yugoslavia was invaded last April, was reported February 9 to be recruiting additional men for his guerrilla army of 20,000.

The Belgrade press said 440 insurgents and 33 policemen were killed in a recent seven day engagement near Toplica, known as the birthplace of the unsuccessful 1917 revolution.

DNB, German news agency, reported another important battle at Krasnodar, in southern Serbia. It said a band which had hidden in the mountains during the winter attacked the town, overpowered police

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Italians Say Queen Mary Torpedoed

Rome (From Italian Broadcast), March 14.—(AP)—The Italian radio quoted "Ager" as maintaining "circles" today as saying the great British liner Queen Mary had been torpedoed and badly damaged several days ago, shortly after leaving Rio de Janeiro with about 1,000 "North American" soldiers aboard.

The radio declared the Queen Mary was attempting to reach the British base in the Falkland islands.

(Axis nations frequently broadcast claims of this nature in efforts to obtain information concerning movements of ships or troops.)

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Government Takes Poll

Attitude of Public on War Program Sought in Backyard Check of Sentiment.

Washington, March 14.—(AP)—The government is making a backyard check of the public's ideas on the war program.

Responsible authorities declared that the opinion of all sections of the nation would be sampled informally.

The poll is to get the people's views of such controversial issues as strikes, wage control, price fixing, longer hours in war plants and even on the conduct of the military campaign.

Results of the survey may be used as a basis for new laws and executive orders to change some aspects of the war program.

While the survey was said to be far from complete, an influential member of Congress said there was no doubt that extensive dissatisfaction had been expressed with the progress of the military production program. This was said to center on strikes and lack of materials as factors contributing to the slowing of the program.

Members of congress also have been receiving an increasingly large number of complaints, Senator Thomas, Democrat, Oklahoma, declared yesterday in letters he addressed to Donald M. Nelson, cabinet members and other officials.

AMERICAN TROOPS PARADE IN LONDON

London, March 14.—(AP)—United States troops went on parade this morning in London for the first time since the start of the war. A small contingent marched into a park for inspection by an American colonel.

Traffic on one of London's busiest thoroughfares passed briefly while the troops paraded.

WEATHER FOR NORTH CAROLINA

Continued mild, temperatures slightly lower east portion tonight.

Speed, Not Price, Sought In Placing War Contracts

By CHARLES P. STEWART, Central Press Columnist

Washington, March 14.—Producers of steel for the government compete with each other as strenuously as ever they did, but it's a new kind of competition, as to all sorts of war supplies, with Uncle Sam naturally buying now at about 1,000 times the rate of anything else he's in the market for.

Before the world conflict started, it was a matter of getting the goods.

Now, though, there are not only enough orders to go around, there's a congestion of them. That's why speed is so essential in an matter of getting them executed.

But the benefits of the Donald Nelson system to small business?

Well, a huge industry is apt to be filled in big time. The present question is "Who'll make the quick-



Donald Nelson

Speed, Not Price, Sought In Placing War Contracts

Production Manager Donald M. Nelson changed the rule on the reasonable ground that speed's the main item in an emergency like the existing one, even if it costs a little more.

The new system works out, too, rather unexpectedly, to the advantage of small industries, concerning whose fate there's been so much worrying.

Competition had the merit, in the pre-war era, of guarding against any favoritism in the awarding of contracts. A political pet of some Washington official or department boss couldn't make juicy bargains in his or its particular interest, because unpitied rivals could underbid the favorite, and get away with it.

Plenty of Orders. Now, though, there are not only enough orders to go around, there's a congestion of them. That's why speed is so essential in an matter of getting them executed.

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Graves Dies Unexpectedly

Montgomery, Ala., March 14.—(AP)—David Bibb Graves, 68, twice governor of Alabama and a candidate for a third term, died unexpectedly at a San Jose, Fla., early today.

Mrs. Graves was awoken by the former governor's heavy breathing and summoned a doctor about 2 a. m. The physician said Graves died shortly after.

Graves recently underwent operations in Baltimore and was convalescing at San Jose before opening his campaign for the Democratic gubernatorial nomination in the May 5 primary.

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