



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, MARCH 26, 1942

PUBLISHED EVERY AFTERNOON EXCEPT SUNDAY.

FIVE CENTS COPY

"No Compromise" In Pacific

Air Warfare Intensified On European War Front

Trade Blows From Arctic To Germany

In London, Churchill Sounds Rare Note of Optimism, Declaring Allies 'Cannot Lose... Except Through Our Own Fault.'

Tempetuous aerial blows ranging from Arctic Murman k to Germany's industrial Ruhr valley and the white cliffs of Dover were reported today as Prime Minister Winston Churchill sounded a rare note of optimism with the declaration that the allies "cannot lose this war except through our own fault."

On the Russian front, Soviet dispatches told a story of mounting German slaughter along the vast battlefield, while a bulletin from Adolf Hitler's field headquarters acknowledged a fresh wave of Red army assaults.

During the night, RAF warplanes "very heavily bombed" German war factories in the Ruhr, the London air ministry announced, and pounded the German U-boat base at St Nazaire on the Nazi-occupied French coast. The magnitude of the offensive was indicated by the air ministry's acknowledgment that eleven RAF bombers were lost.

Vichy reported that RAF planes also "stormed" Paris in a 90-minute pamphlet raid, warning that they would return to bomb French factories working for Hitler's military machine. The Nazi high command said German night raiders attacked Dover on the southeast English coast, inflicting "great damage" to military installations.

Soviet dispatches reported that 66 German planes raided Murmansk, the Soviet base for the arrival of United States war supplies, and that more than 100 planes, raiders and defenders, battled over the city at one time. Eleven German planes were reported shot down.

In London, Prime Minister Churchill told a conservative party meeting:

"I cannot offer my guarantee that we are at the end of our misfortunes. It would be foolish for us not to be prepared for further heavy blows. But just as last year I warned

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Axis Launches India Party

London, March 26.—(AP)—Apparently seeking to counter Sir Stafford Cripps' mission to India, the axis announced today that it was launching its own Indian independence movement.

The Berlin radio broadcast a Tokyo dispatch asserting that representatives of the "Indian independence party" from Hongkong, Malaya, Thailand and Shanghai would convene March 28 in Tokyo for a two-day conference.

Italy Reports Nazi Raids

Rome (From Italian Broadcasts), March 26.—(AP)—German bombers continuing their attacks on the British naval base at Malta, have damaged a light cruiser and a merchant vessel in the harbor of Valetta, the Italian high command reported today.

Two British planes were shot down in dog fights during this assault and two more were destroyed on the ground, a communique said.

Operations on the north African front the high command said merely:

"Our desert troops in the course of extensive patrolling activity far into the south Libyan desert have ascertained the complete absence of the enemy."

Standard Oil Pact Blamed For Shortage

Washington, March 26.—(AP)—Thurman Arnold, assistant attorney general, testified today that the Standard Oil Company of New Jersey had developed a synthetic rubber that was cheaper, better and more plentiful than any the Nazis had and had turned it over to German interests before the United States entered the war.

Arnold told the Senate defense investigating committee that until a consent decree entered into yesterday, Standard had "held back even in this rubber shortage," in making the patent on the synthetic product available to American rubber companies.

In testifying before the Senate defense investigating committee, Arnold said, however, that "these arrangements were not entered into with any desire to aid or assist Germany."

"The sole motive," said the assistant attorney general, "was an attempt on the part of the Standard Oil to get a protected market to eliminate independent competition, and thereby to restrict production of world markets in order to maintain their control."

The agreement between Standard Oil and the German dye trust were ended by a consent decree announced yesterday in which the company agreed to free to American industry its patents on synthetic rubber.

The company, six subsidiaries and three top officials were fined a total of \$50,000 for violation of the anti-trust law. They pleaded nolo contendere.

NAZI SUB SINKS BRITISH VESSELS

Berlin, (From German Broadcasts) March 26.—(AP)—The German high command declared today that a Nazi submarine had attacked a British convoy off the north African coast, east of Saloni, and had sunk a destroyer and a 3,000-ton merchant ship.

Labor Exodus To War Plants Noted In State

Daily Dispatch Bureau, in the Sir Walter Hotel, By BOB THOMPSON

Raleigh, March 26.—North Carolina is in "serious danger of a great exodus of labor," said Mayne Albright, the federal employment service's director in this state.

The only hope of keeping many of the state's best workers in North Carolina is for a rapid conversion of many North Carolina plants to war work and a wide distribution of war contracts among them.

To the end that the state may not lose some of its best workers, Albright is working with the contracts distribution of the war production board on labor supply and labor training problems. At the moment, however, other states with more war work than this are calling for North Carolina labor, including thousands of young men who are being offered training as well as employment.

The employment service has the

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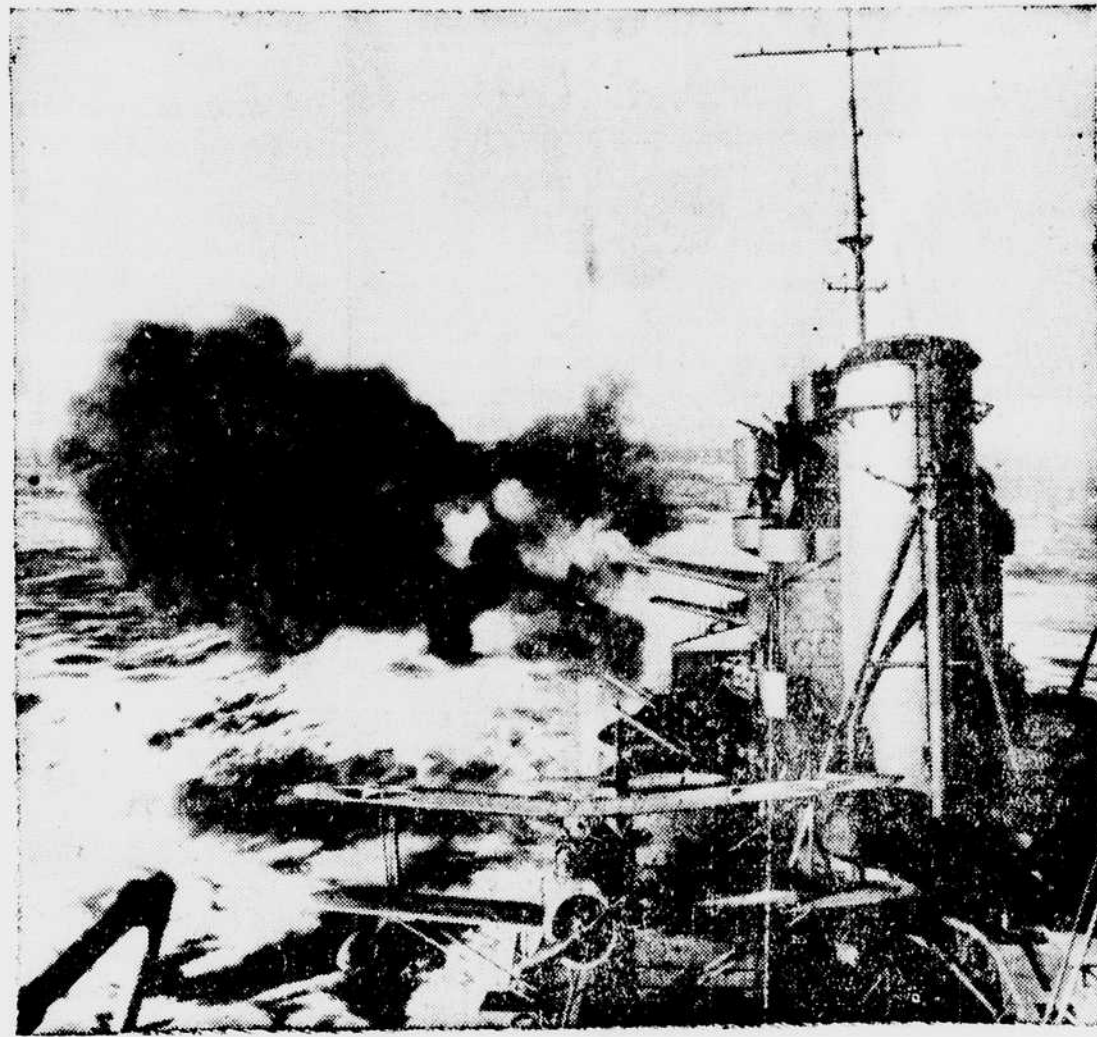
AFL And CIO Heads Join In Urging Against Labor Law

Washington, March 26.—(AP)—William Green, president of the American Federation of Labor, and Philip Murray, CIO chief, jointly advised Congress today against passing labor legislation which might start an "undeclared war among ourselves" and divide the nation into groups fighting each other.

In statements prepared for presentation before the House naval committee, they assailed a bill to suspend the closed shop and extra pay for overtime in war plants and said it was dictated by labor's enemies.

"I charge that the sponsors and supporters of this bill are now waging an undeclared war against President Roosevelt and against the workers of America who believe in the policies of his administration," said

U. S. Navy Avenges Wake Island Defenders



Official U. S. Navy Photo.

Booming defiantly, the main battery of a U. S. cruiser is installed at Japanese-occupied Wake Island in the recent raid just announced by the Navy. Shore installations, including three large seaplanes, demolished and two patrol boats sunk. The task force carrying out the raid was under the command of Vice Admiral William F. Halsey, who headed the naval force which successfully aided the Japanese-controlled Marshall and Guad Islands.

Broughton Urges Sub Defense

Hospital Is Defended

Former Patient Makes Blanket Denunciation of Society for Alleged Conditions.

Charlotte, March 26.—(AP)—A governor's committee investigating conditions at the State hospital at Morganton heard today a blanket denunciation of society for alleged conditions in hospitals which have brought criticism.

The witness, who asked that her identity be withheld, was a young woman who said she was a patient at the Morganton hospital for five months in 1935 and 1936.

She said she first had been in a private sanatorium following a nervous collapse but "intensely preferred" the State hospital because "I was made to feel just like all the rest of the patient—and just as queer person."

The witness said she was treated "on the whole very nicely," that the food although plain was clean, and that she didn't remember an-

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LOANS AUTHORIZED FOR SMALL FIRMS

Washington, March 26.—(AP)—President Roosevelt authorized today the financing of war contracts for small business through guaranteed loans.

Under a presidential executive order, the War and Navy departments and the maritime commission may guarantee or even make loans necessary for war production to stimulate participation by small business firms.

The executive order was prepared by the war production board, the War and Navy departments and the maritime commission.

Small Towns To Prosper

Babson Declares War Conditions Speed Revival of Business for Merchants.

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

Babson Park, Mass., March 26.—I am greatly interested in our small cities and towns throughout the country. Due to the decentralization of industry which is now going on and to other factors, they have a great future. Now with the rationing they should immediately benefit provided the local merchant wake up. This is a clear case of one man's poison being another man's meat!

The Luck To The Farm Bug. More and more city people are looking for small good farms. Even the suburbanites are moving "cars to get away from it all," a word to live more simply, to cut expense, and to bring up the children in a healthier environment. Certainly, our children and grandchildren miss much in wholesome training which

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WEATHER FOR NORTH CAROLINA. Moderate showers this afternoon and tonight, slightly warmer tonight.

Coast Guard Cutter Sunk By Axis Sub

Washington, March 26.—(AP)—The Navy announced today that the Coast Guard cutter *Acacia* was recently shelled and sunk in the Caribbean area, presumably by an enemy submarine, and that all aboard were rescued.

The cutter was described in a communique reporting the sinking as "a small unarmed ship of the tender class which was used to provide services to aids to navigation."

She had been in the lighthouse service as a lighthouse tender prior to being taken into the Coast Guard in 1939.

Built in 1919, she displaced 1,130 tons and was 172 feet long with a 32-foot beam.

The cutter became the 22nd ship in naval service to be announced as lost since the torpedo sinking of the destroyer *Bend Sin* last fall. She is the 17th ship announced as destroyed by enemy action, the five others having been accounted for by storm, demolition or collision.

Navy officials estimated there were 30 to 35 men aboard the *Acacia* at the time of the attack.

Authorities at Havana, Cuba, announced on March 15 they heard radio calls saying the *Acacia* was being abandoned after being shelled and machine gunned near the French island of Guadeloupe.

REDS' NEW TYPE MINIATURE SUBS SINK NAZI SHIPS

New York, March 26.—(AP)—New type Russian miniature submarines "which can operate easily in narrow waters" recently have sunk at least ten German ships on the northern Norwegian coast, the BBC reported today in a broadcast heard in New York by CBS.

TEMPORARY CEILING ON NEWSPRINT PRICE

Washington, March 26.—(AP)—The office of price administration today imposed a temporary, 60-day price ceiling on newsprint at the present level of \$50 a ton.

The ceiling in effect cancels out an announced increase to \$53 recently announced by Canadian producers.

Nazis Lose 30 Bombers

London, March 26.—(AP)—Thirty German dive bombers were destroyed or damaged yesterday in one of the greatest air battles ever fought over embattled Malta, the air ministry reported tonight.

The RAF's Spitfires and Hurricanes worked such havoc among the attacking force, the ministry said, that at least half of the raiders were not able to return home or else landed riddled by machine gun bullets and the splinters of cannon shells.

At Least 30 Men Are Dead In Explosion Of Dynamite

Easton, Pa., March 26.—(AP)—Hundreds of pounds of dynamite exploded prematurely at a limestone quarry of the Lehigh Portland Cement company four miles north of Easton today, killing at least 30 men and shaking the countryside for miles around.

Investigators said the death toll may reach 32.

The explosive was stacked on tracks and on the ground around the rim of the pit. Most of those killed were eating a mid-morning lunch nearby when the blast let go with devastating force about 9:30 a. m. EDT.

Sixteen other men were at work in the bottom of the pit and escaped injury.

The blast was felt as far away as 50 miles. Windows were shattered in homes and buildings in an 18-mile area.

school, half a mile from the scene were injured slightly by flying glass from broken windows. Only two were detained in an Easton hospital, however. Together with 56 classmates the children marched calmly from the building under the supervision of two teachers, who gave first aid to the injured in the schoolyard.

Leonard Sabatino, owner of a coal company just across a highway from the cement plant, said "bodies were strewn all over the place. It was a terrible sight."

Wives and relatives of the workers—some crying; others hysterical—crowded into a plant building not far from the quarry to await identification of the mangled bodies.

Major Earl M. Henry of the Pennsylvania state police said 25 tons of dynamite had been assembled in the quarry for a major blasting operation that was to have blown away one entire side of the quarry.

Allied Chief Pledges Full Resources

General MacArthur Underlines Pledge of Allied Counter Offensive With Promise of All U. S. Facilities and Manpower.

(By The Associated Press) General Douglas MacArthur, dramatically underlining his pledge of an allied counter-offensive against Japan, told leaders of Australia today that "there can be no compromise... We shall win or we shall die" in the fight to drive Emperor Hirohito's invasion armies back out of the southwest Pacific.

"And to this end, I pledge you the full resources of all the mighty power of my country, and all the blood of my countrymen," General MacArthur said, speaking at a dinner in parliament house in Canberra. "I have come as a soldier in a great crusade of personal liberty, as opposed to perpetual slavery. My faith in our ultimate victory is inviolable."

Japan's capture of the strategic Andaman islands, sending a tongue of flame leaping toward India, spurred negotiations for the mobilization of India's 390,000,000 on the side of the allies as the situation in the battle of Burma grew ever more critical.

Burma is the eastern gateway to India. Attempting to relieve pressure on allied forces in central Burma, two strong Chinese columns were reported to have invaded Japanese-occupied Thailand at two points, Thailand adjoins northern Burma.

A Tokyo broadcast emphasized the importance of the Andaman group as a naval and air base for attacks on the seaboards linking India with Britain, and declared the seizure of Japan "within dangerous striking distance of vital British military bases at Calcutta, Madras and Ceylon."

While Japan thus aimed a direct threat at India, Sir Stafford Cripps, special British envoy, sped a series of conferences with Indian leaders in an attempt to iron out India's long smoldering internal friction and weld the dominion's vast manpower into a united fighting force for the allies.

Sir Stafford's efforts bore fruit when Maulana Abul Kalam Azad, president of the congress party, summoned the party's executive committee to consider the British government's plan for self rule in India. Observers said this was a sign of definite progress.

In addition, Mohandas Gandhi,

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Japs Bomb Corregidor

Four Planes Shot Down of 54 Heavy Bombers Attacking Manila Bay Entrance.

Washington, March 26.—(AP)—The War department reported today that 54 heavy Japanese bombers participated in a six-hour attack on the island forts at the entrance of Manila Bay, concentrating on Corregidor, and that defending anti-aircraft batteries shot down four of the planes.

The defending troops suffered only a few casualties, the department said in a communique, and damage to the fortifications was slight. There were sharp skirmishes along the entire front in Bataan, the department added.

The bag of four enemy bombers in this attack brought to seven the number shot down by anti-aircraft fire since the Japanese launched their sudden renewal of a large scale aerial bombardment in the Philippines two days ago.