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Japs Crack Anchor At Prom

Great Battle Rages At Leningrad

Reds Report 25,000 Nazis Slaughtered

Combat Tempo 'Rising With Every Hour That Passes' on Leningrad Front; Russians Capture Huge War Supplies.

(By The Associated Press) A heavy battle of tanks and men, with the combat tempo "rising with every hour that passes," was reported raging on the Leningrad front today, and the Russians declared 25,000 German troops had been killed and huge war supplies captured in 13 days of fighting around the old capital and at neighboring Staraya Russa.

It was not immediately clear whether the Russians were making a major attempt to break out of the long-besieged northern metropolis, or whether the Germans were on the offensive, hoping to knock out that long and stubbornly-defended barrier.

The Leningrad radio, however, reported that Red army troops had captured a fortified settlement which served as the center for several German-held villages.

Soviet dispatches said 15,000 nazis had been slain in the Lei.

Three Vessels Sunk By Subs

Washington, April 3.—(AP)—Torpedoing of two United States merchant vessels in the Caribbean sea and the shelling and sinking of a small tug off the Atlantic coast were announced today by the Navy.

The Navy said that the merchant vessels were of medium size and that the torpedo attacks on them occurred several weeks ago.

"In addition," the Navy added, "a small U. S. tug was shelled and sunk recently off the Atlantic coast."

New York, April 3.—(AP)—Thirty-three survivors of a crew of a "good sized" American freighter reached New York after three torpedoes fired by a submarine sank the ship in 15 minutes in the Atlantic March 3, the third naval district announced today.

One man was killed by the torpedo explosion. Others at first six days in two open boats were rescued by another vessel and taken to a Caribbean port without ill effect.

Cotton Mills Hampered

Shortages of Labor and Machinery Reduce Production; War Orders are Heavy.

Washington, April 3.—(AP)—The Agriculture department said today the cotton textile industry faced serious labor supply and machinery repair and replacement problems in its efforts to meet a sharply expanding civilian and military demand for cotton goods.

The industry was said to be losing considerable labor to the armed services and to war plants.

Further, the diversion of steel and other raw materials into the construction of airplanes, ships, tanks, guns and other war equipment was said to be making it difficult for textile mills to obtain repair and re-

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First U.S. Casualty in Ireland



A flag-draped casket containing the body of Corp. Irving Perkins, 31, of Aitkin, Minn., is carried out of a church by fellow members of the A. E. F. Perkins is the first casualty in U. S. forces in North Ireland. He was shot accidentally. (Central Press)

Whites And Negroes Clash At Fort Dix

BERGERET REPORTS ON INSPECTION TRIP

Vichy, April 3.—(AP)—The French cabinet heard a first hand report from Air Minister General Jean Marie Bergeret on his inspection of American air bases today, but failed to take action on axis-sponsored proposals that Pierre Laval, former vice premier, return to an official position.

Laval ended his negotiations with Marshal Petain and Vice Premier Admiral Jean Darlan last night in a communique announcing they had been prompted by his belief that the "external situation of France is growing worse daily."

German sources in Vichy were reported only "normally interested" in Laval's failure.

Two Majors Shoot It Out

Santa Barbara, Cal., April 3.—(AP)—Two retired majors climaxed a prolonged feud over respective merits of the state and home guards in a deadly gun duel last night.

Major William H. Weststrom, 45, was killed on the porch of his home. He was shot twice just over the heart.

Major Buell Hammett, about 42, shot in the hip, was given a chance to live after a blood transfusion.

Mrs. Evelyn Weststrom, the slain

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White Military Policeman and Two Negro Soldiers Killed and Five Others Wounded in 15-Minute Battle During Night.

Fort Dix, N. J., April 3.—(AP)—White and Negro soldiers fought a bloody 15-minute battle on the darkened plains of Fort Dix last night in which three men were shot to death and five others wounded in a furious exchange of bullets.

The sudden, bitter outburst ended when Negro and white officers appeared on the scene and ordered the embattled white military police and Negro enlisted men to cease firing.

The battle flared from a dispute in a nearby amusement center over a "next" on a telephone.

Major Sage Wolflike described the ensuing events:

An MP stationed at the place attempted to halt the argument and had words with a Negro soldier who lunged for the MP's pistol, gripping the holster, but failing to grasp the weapon. The Negro ran outside and the MP fired a shot after ordering him to halt.

This brought forth a fusillade from the barracks across the roadway from the amusement center.

The dead were Private Marie W. Strough, white, of Honey Camp, Va., a military policeman; and two Negro soldiers, one from Tennessee, the other from Georgia.

The wounded were all Negroes.

MORGENTHAU'S TAX PROPOSALS TO BE REJECTED

All Prices May Be Put Under Ceiling

Washington, April 3.—(AP)—An order freezing prices of all consumer goods not already under ceiling orders, it was learned today, is under discussion between high officials of the office of price administration and the war production board.

Such a blanket freezing order, to be applied at both wholesale and retail levels, has been discussed for some time, responsible OPA sources said, and the meetings have been more frequent recently. A definite decision has not been reached, it was said.

The action, if forthcoming, would take the form of a permanent freezing order, cutting prices back to the levels of some chosen date, probably several months ago, it was reported.

Numerous administration officials have voiced dissatisfaction with present price control meth-

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BRITISH ANNOUNCE LOSS OF DESTROYER

London, April 3.—(AP)—The admiralty announced today that the destroyer Heythrop had been sunk.

The Heythrop was one of the Hunt class, which were laid down in 1939 and completed in 1940. These ships displaced 904 tons, and carry four four-inch anti-aircraft and eight smaller guns.

Crashes Take Toll Of Fliers; Two Tar Heels Among Dead

Albany, Ga., April 3.—(AP)—Second Lieutenant Hinton S. McLeod, 26, of Fayetteville, N. C., and Cadet Emerson W. Kaler, of Crestline, Ohio, were killed here last night when their training plane crashed near Leary.

Turner Field officers said the two were on a routine training flight. Cause of the crash was undetermined.

Lieutenant McLeod, former Concord, N. C., newspaperman, is survived by his wife, of Albany, and his mother, Mrs. Francis McLeod, of Fayetteville.

West Greenwich, R. I., April 3.—(AP)—An Army medium bomber crashed into the woodlands here today and exploded, killing all five occupants, two officers and three enlisted men, the first corps area announced.

The plane was on a routine flight and a craft of that type was overdue

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House Ways and Means Committee Predict Many of Treasury Suggestions for New Tax Bill Will Not Be Acceptable.

Washington, April 3.—(AP)—House ways and means committee members predicted today that many of Secretary Morgenthau's revenue proposals would be rejected when the committee draws a new \$7,616,990,699 tax bill.

Completing exactly one month of hearings on the Treasury department's recommendations, Chairman Doughton, Democrat, North Carolina, said that closed door sessions of the new tax bill probably would begin about April 20. There seemed little possibility that the measure would reach the House before June 1.

A survey of the committee members indicated that it votes were taken today the administration program would face as follows:

Morgenthau's recommendation against sales tax, a clear majority favors either a manufacturer's or a retail sales tax.

\$2,200,000,000 more from individuals, except as a last ditch source of revenue, such a program would be rejected on the ground that it would double the average individual's tax so closely upon last year's tripling of income taxes.

\$3,060,000,000 additional from corporations; much too high, what with combined normal and surtaxes starting at 55 per cent, and excess profits rates ranging up to 75 per cent; rates appear to be almost confiscatory, some members declare.

\$1,344,000,000 from new and increased excises; rejected if a sales

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Awarded Flying Cross



Ensign William Tepuni

Official U. S. Navy Photo
Ensign William Tepuni, 26, (above) from San Francisco, has been awarded the Distinguished Flying Cross for bombing an Axis sub. The U-boat was forced to come to the surface. (Central Press)

Prisoners Fare Well

International Red Cross Reports on Condition of Men Interned by Japanese.

Washington, April 3.—(AP)—The 366 United States prisoners of war, who were captured on Gilbert, Wake and Guam islands by the Japanese and interned at Zentsu, island of Shikoku, are being well treated, the International Red Cross reported in a telegram made public today by Representative White, Democrat, Idaho.

However, the men want more entertainment, fancier food, and mail from the folks back home.

This was the most detailed account received through neutral sources to date on the welfare of men who fell into enemy hands.

White was chosen to release the report, presumably because many of the soldiers and civilians captured in the American outposts were residents of Idaho, Oregon and Washington. Civilians from these and other western states were engaged in military construction work on the captured islands.

The cablegram stated in part: "Tobacco ration is ten cigarettes per one to three days according to rank."

"Clothing sufficient for the moment but 120 pairs of shoes requested as soon as possible."

"All getting along well. No dead."

ESCAPED?

London, April 3.—(AP)—Some of the eleven Norwegian ships which made a break for freedom from Swedish ports, two days ago may have eluded the German warship Patro, the ministry of information said today.

WEATHER

FOR NORTH CAROLINA.
Warmer tonight.

Philippine Situation Heartening

Defense of Burma Suffers Grave Reverse as Japanese Advance Nearer Oil Fields; Bataan Defenders Mop Up Pocketed Units.

(By The Associated Press) Grave new reverses marked the allied defense of Burma today as British headquarters acknowledged that the Japanese had cracked the right wing anchor at Prom, key to Burma's vital oil fields, but the news from the Philippines was more heartening.

On long besieged Bataan peninsula, Lieutenant General Jonathan M. Wainwright's American and Filipino fighters were officially reported mopping up pocketed Japanese units which yesterday burst through the main line in two heavy assaults.

The War department said "a considerable number" of Japanese got through, only to be trapped as U. S. troops counter attacked fiercely and sealed the gap.

With Japanese invasion threatening from next door Burma, leaders of India's millions still wrangled bitterly over the British proposal to grant India self rule after the war in return for fighting support.

Chinese Generalissimo Chiang Kai-shek, advocate of war collaboration between China's 400,000,000 and India's 390,000,000, was said to have intervened in the negotiations, urging India to accept the British proposals.

Chiang was said to have sent a special messenger to convey his views to Pandit Nehru, powerful former president of the All India Congress party.

In Burma, the situation was critical at both ends of the British-Chinese defense line guarding the Burmese oil fields, a major source of China's gasoline and oil supplies, and the road to Mandalay.

The British acknowledged that they had been forced to retire to the north of Prom, less than 100 miles south of the oil fields, falling back after night-long fighting in the jungles south of the Irrawaddy river town.

However, British headquarters denied reports of a landing by Japanese sea-borne troops at the west Burma port of Akyab, only 100 miles from the Indian front.

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Nazis Claim 36 Warships

German Communiqué Lists Vessels Sunk and Damaged During February and March.

Berlin (From German Broadcasts), April 3.—(AP)—The high command said today that during February and March the German navy, operating against the fleets of the United States and Britain, sank one cruiser, eight destroyers, three corvettes, four torpedo boats, twelve motor torpedo boats and motor gunboats, five escort vessels and three submarine chasers.

In addition during the same period, a communiqué said, the German air force sank two motor gunboats and three escort vessels.

"Another 37 warships, including ten cruisers, eleven destroyers and five submarines were damaged in offensive operations by German naval forces and in air attacks by the Luftwaffe," it added.

The high command said the cruiser listed among the ships sunk was British—a ship of the Leander class. The Germans had said recently that a ship of this class had been torpedoed and sunk in the Mediterranean.

None of the other ships was named in the communiqué.

First Meeting of Pacific War Council



President Franklin D. Roosevelt is shown presiding over the first meeting of the newly-created Pacific War Council at the White House. From left to right around the table are: T. V. Soong, representing China; Walter Nash, minister from New Zealand; Herbert Evatt, Australian Minister of External Affairs; Lord Halifax,

ambassador from Great Britain; President Roosevelt; Hume Wong, minister from Canada; Alexander Loudon, the Netherlands and Harry Hopkins, the President's adviser. The council will not deal with immediate concrete problems such as the disposition of equipment and forces but with the general progress of the war.

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