DR. LESLIE PERRY MEMO...
HENDERSON, N. C.

FOR DEFENSE BUY UNITED STATES DEFENSE BONDS AND STAMPS

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, APRIL 9, 1942 | PUBLISHED EVERY AFTERNOON EXCEPT SUNDAY. | FIVE CENTS COPY

Bulk Of 36,853 Defense Troops Face Death Or Surrender;

Japs Engulf Bataan Peninsula

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

INDIAN ACCORD SEEMS NEAR

Mahasabha Party Ready To Come In

All India Congress Party and Strong Hindu Group Reported Assenting to Establishment of National Government.

New Delhi, April 9.—(AP)—A general understanding of the main points at issue between the British and politically articulate Hindus appeared to be at hand today, with reported assent by leaders of the All India Congress party and the Hindu Mahassabha to establishment of a national government for India.

Such a government would serve India pending the post-war dominion status offered by Britain.

Britain's chief negotiator, Sir Stafford Cripps, was understood to have telegraphed Vinayak Savarkar, president of the Hindu Mahassabha, asking if that organization of political moderates had any objection to joining a national government.

Savarkar was understood to have replied through the governor of Bombay, Sir Roger Lumley, that his organization had no objections, even though it still opposed a clause in the British plan allowing provinces to remain outside the proposed Indian union.

It was reported that the Mahassabha would get two seats in the national government.

Reports on the status of the negotiations with the Congress party, the dominant political group, varied between statements that "a general understanding is nearly reached" and that it was "as good as reached."

Cripps was expected to make an announcement on the outcome of his mission soon, perhaps tomorrow.

To Exchange Diplomats

Tokyo (From Japanese Broadcasts), April 9.—(AP)—Domei reported today that 64 diplomats captured at Hongkong, including United States Consul General Addison E. Southard, would be sent home under an exchange agreement Japan has reached with the United States and Britain.

Forty-nine of the diplomats are Americans, two are Dutch, five Belgians, three Norwegians, and four Canadians, Domei said.

QUAKE IN ORIENT

Bombay, India, April 9.—(AP)—An earthquake of great intensity, apparently centering in the Yellow sea between Japan and the China coast, was recorded here last night at 9:49 p. m. (1:49 p. m. EWT, Wednesday.)

Two more shocks of lesser intensity were recorded today at 1:06 a. m. and 5:35 a. m.

Better School Program Urged

Greensboro, April 9.—(AP) — A plea for the enlargement of educational opportunities in North Carolina by extension of the compulsory school law to 16 years, adoption of the constitutional amendment providing for a state board of education and expanded vocational education facilities was made by W. A. Dees, Goldsboro attorney and president of the State School Board Asosciation, as the North Carolina Congress of Parents and Teachers moved into the second day of its 23rd annual convention at the King Cotton hotel.

The following officers were elected: Mrs. W. W. Weant, of Salisbury, first vice president; Mrs. E. P. Rhyne, of Hickory, second vice president; Mrs. Fred Harred, of Goldsboro, recording secretary, and Mrs. J. W. Burke, of Gibsonville, treasurer. No president is being elected at this convention.

Plane Ferrying Boss

Colonel Harold L. George

The War Department announced the appointment of Col. Harold L. George, 48, formerly of the war plans division of the air staff, as head of the Army Air Force Ferrying Command. The group's main job is to fly planes to Russia, China, the Netherlands Indies and other beneficiaries of the lend-lease act.
(Central Press)

Seven Dead In Blackout

Heart Attacks Fatal In Los Angeles Alert; Planes Identified as Friendly.

Los Angeles, April 9.—(AP)—**Seven persons died of heart attacks and an air raid warden fell off a two-story building as the Los Angeles area blacked out an hour and 51 minutes last night. The warden was injured critically.**

The blackout was ordered because of the "presence in the Los Angeles area of unidentified planes which later were identified as friendly," reported Lieutenant General John L. Dewitt of the western defense command, at San Francisco.

There was no gunfire, as in Los Angeles' last blackout, February 25. Los Angeles and Orange counties, the only ones blacked out, doused their lights quickly and nearly 100 per cent.

Thousands of aircraft workers continued making warplanes, in blacked out buildings, but all shipyards halted production from 9:03 p. m. PWT until the all clear at 10:54 p. m.

Roars and howls of wild animals sent shivers along the spines of some 4,000 persons blacked out in a circus tent.

Near the close of the show, the master of ceremonies announced the blackout. Everyone laughed . . . thought he was clowning. Then out went the lights.

Tax Program Is Unchanged

Washington, April 9—(AP)—Secretary Morgenthau said today for Treasury's $7,600,000,000 tax program will stand unchanged "until there is a public announcement by the President that the amount is to be changed."

He told a press conference that no instructions have come from the White House to change the tax program. He made these statements while explaining his refusal to comment on reports in other administration circles that the tax program might be enlarged drastically for the purpose of preventing inflation.

"I am the one charged with the responsibility of taxes, and anything I said might be regarded as official," Morgenthau continued. "Others who have no such responsibility can talk freely about such things, but I cannot."

Jap Bombers Sink Two British Ships In Bay Of Bengal

WPB Orders Gas Supplies Further Cut

Washington, April 9.—(AP)—The war production board today ordered gasoline deliveries to service stations in 17 eastern states, Oregon, Washington and the District of Columbia cut one-third compared with average deliveries last December, January and February.

This curtailment compares with a 20 per cent cut already in effect, resulting from tanker sinkings and transportation shortages.

In addition to the states already affected, WPB included the city of Bristol, Tenn., on grounds that Bristol was partly in Virginia—which is in the curtailment area—and partly in Tennessee, which is not.

The new reduction, effective April 16, will require proportionate reduction in gasoline deliveries during the latter half of April.

Meanwhile, Secretary Ickes, the petroleum coordinator, told his weekly press conference that rationing by use of cards might be avoided if the public cooperated in the filling station supply limitation program.

The coordinator reported that oil stocks in the east dropped another 1,049,000 barrels last week, and that the over all stocks of the seaboard area now are 13,275,000 barrels under April of 1941.

Ickes announced he would support a proposal of the petroleum industry war council for the industry to produce a minimum of 300,000 tons of synthetic rubber for civilian use, over and above the 700,000 tons already planned by government agencies.

Pork Asked For Allies

AMA Reveals Request for Bulk of Pork and Lard for Lease-Lend Requirements.

Washington, April 9.—(AP)—The agricultural marketing administration confirmed today reports that it has asked packers operating under federal inspection to offer for sale to the government at least two-fifths of their production of pork cuts and canned pork and two-thirds of their production of lard and hog casings to meet lend-lease requirements of Great Britain and Russia during the late spring and early summer months.

These packers normally handle about two-thirds of the country's

(Continued on Page Four)

CHURCHILL RENEWS PLEDGE OF VICTORY

London, April 9.—(AP)—Prime Minister Churchill, in accepting a check from the Free Danes at No. 10 Downing street, declared today: "We shall never give in, we shall never weary, we shall never pause in our struggle; nor will our great American and Russian allies."

Of Denmark he said, "I have very little doubt that the day will come, perhaps sooner than it would be prudent or sensible to hope, when Denmark will be free from the grip in which she has been held, and when she will resume her independent, honored and ancient place among the free peoples and states of Europe."

10,000-Ton Cornwall and 9,975-Ton Dorsetshire, Eight-Gun Cruisers, Sent to Bottom; Allied Merchantmen Also Sunk.

London, April 9.—(AP)—Two British eight-gun cruisers, the [illegible] **975-ton Dorestshire whose torpedoes finished off the German** [illegible] **than a year ago, have been sunk by Japanese bombers ranging the Bay of Bengal and battering a British-stretched British navy I can understand is India the admiralty announced today.**

From New Delhi, it was announced also in a communique that combined enemy naval and air attacks had resulted in the sinking of several allied merchant ships in the Indian ocean area.

The sheek of the loss of the two powerful ships robbed the gilt off the admiralty's announcement two hours earlier that a British submarine had sent a 10,000-ton Italian cruiser to the bottom of the central Mediterranean.

The sinking of the Cornwall and Dorestshire was a blow to the British naval strength immediately available to cope with Japanese aircraft carriers and warships reported increasing their activities astride the sealanes to Calcutta in the bay between the bombed coast of India and invaded Burma.

Japanese broadcasts quoted imperial headquarters claims that, in addition to the cruisers, Japanese forces sank 21 allied merchantmen in the Bay of Bengal up to last Tuesday, and badly damaged 23 other ships.

The admiralty's announcement did not say when the Dorestshire and Cornwall were sunk.

A communique said both warships went down under Japanese aerial attacks, but 1,100 of the crews were picked up. Normally, the two crews totaled 1,339 men.

TYPHUS EPIDEMIC

Moscow, April 9.—(AP)—More than 1,250 cases of typhus have been registered in Berlin in the last two weeks, creating an epidemic that is "daily assuming more threatening proportions," Tass reported today.

Profiteering Is Alleged

Washington, April 9 — (AP) — Senator Bunker, Democrat, Nevada, charged in a Senate address today that an agreement between the defense plants corporation and Basic Magnesium, Inc., of Cleveland, Ohio, for construction of a $63,000,000 magnesite refinery at Las Vegas, Nev., "is so sinister as to indicate that some officials of our government are guilty of malfeasance."

He demanded a thorough investigation of the defense plants corporation, a subsidiary of the reconstruction finance corporation, and added:

"If the agreement between the defense plants corporation and Basic Magnesium, Inc., represents a cross section of conduct on the part of the defense plants corporation, I can come to only one conclusion: we are tolerating the existence of an agency of the government that is so corrupt that it would make profiteering in the last war look like petit larceny by comparison.

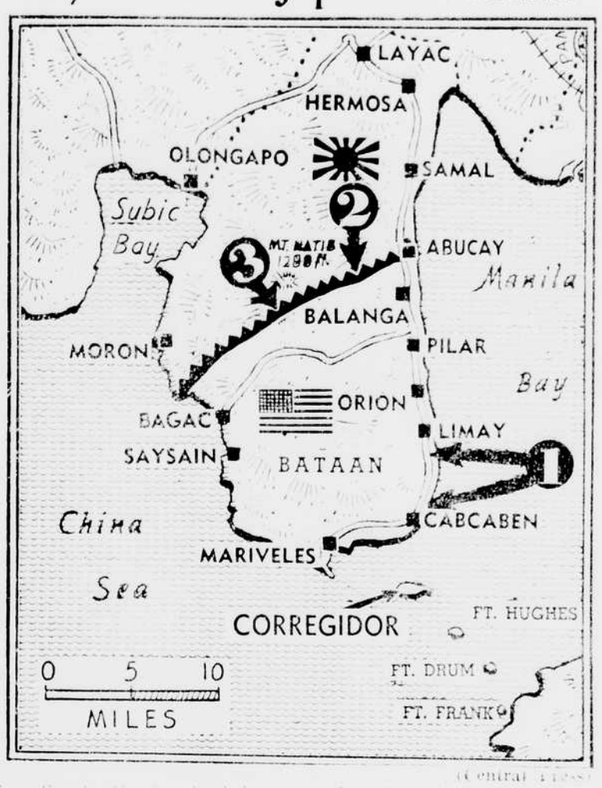
"The fraud that is being perpetrated by the defense plants corporation is a betrayal of the President and the American people."

Last week Bunker told the Senate that Basic Magnesium, Inc., stood a chance of making a profit of 4,250 per cent in one year on an admitted investment of less than $50,000.

WEATHER

FOR NORTH CAROLINA.
Little change in temperature tonight.

Key Points of Japanese Attacks



(Central Press)

The all-out offensive hurled against American defenses on Bataan peninsula by Japanese General Tomoyuki Yamashita has resulted in overcoming the battle-exhausted American and Filipino forces of General Jonathan Wainwright. The map above shows key points in the attacks. Batteries carrying guns fired on (1) Limay and Cabcaben, while tanks and artillery poured shells into the main American defense line (2 and 3) strung from Bagac to Abucay. A two-hour artillery barrage was fired at Ft. Hughes and Corregidor by Jap guns at Cavite.

Initiative Seized By British In Libya

Allied Chiefs Hold Talks

London, April 9.—(AP)—General George C. Marshall, U. S. Army chief of staff, conferred throughout this morning with Lieutenant General Sir Alan Francis Brooke, chief of the imperial general staff, presumably on grave developments in the eastern Mediterranean area and on the Burma front.

Harry Hopkins, chairman of the British-American munitions assignments board, conferred with W. A. Harriman, war production representative in Britain, and talked with Foreign Secretary Anthony Eden.

Threat of New Axis Drive Quickly Countered; British Announce Sinking of Italian Cruiser in Mediterranean.

(By The Associated Press.)

Britain's desert armies, swiftly countering the threat of a new drive by 125,000 troops under Field Marshal Erwin Rommel, were reported seizing the initiative with attacks on advanced axis positions in north Africa today, while at sea the British reported the sinking of a 10,000-ton Italian cruiser in the central Mediterranean.

Premier Mussolini's high command acknowledged that the British were counter-attacking on the Libyan front, but asserted they had been beat off.

British headquarters at Cairo said that British troops were engaging axis forces at Sidi Rezegh, about 75 miles southeast of Tobruk, and that other British columns had captured a number of axis troops between Tobruk and El Gazala.

On the Russian front, Soviet dispatches reported that Adolf Hitler was already throwing his

(Continued on Page Four)

Bankruptcy Not In Sight

Babson Sees No Cause for Alarm Over Wartime Expenditures of Government.

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

Babson Park, Mass., April 19—I have been asked how the government can continue to spend more than it takes in without going into bankruptcy. The first answer is that the government can issue legal currency. This is not true of individuals or corporations or even of municipalities or states. All these four groups can be "busted"; but this is not necessarily so of a federal government.

Government vs. Private Enterprise

The above is an example of the confused understanding which exists among many people of the operation of government as an enterprise, com-

(Continued on Page Three)

RABAUL IS BOMBED

London, April 9.—(AP)—Reuters dispatch from Port Moresby, New Guinea, said that many aircraft were destroyed on the ground and others damaged in an allied raid this afternoon on Japanese held Rabaul, New Britain.

War Contracts Tax Proposed

Washington, April 9—(AP)—A special tax on the income from military production contracts was proposed today by Chairman George, Democrat, Georgia, of the Senate finance committee to supplement congressional efforts to limit war profits.

He termed such a special levy "a just and proper step." To include an increase in tax on non-military orders, he said, would be unfair.

A joint Senate-House conference committee will take up the profits question later this month when it meets to consider amendments to a $19,212,000,000 military appropriations bill, but George said it was his opinion that a practical curb on excessive earnings could be accomplished only through taxation.

Inclining to agree with George, Senator Nye, Republican, North Dakota, said the conference committee, of which he is a member, was likely to be hampered in its work by fear lest too drastic cures on profits slow down industrial production.

Battle-Worn Defenders Overcome

Stimson Reveals for First Time Costly Efforts Made to Relieve Besieged Bataan Garrison; Other Developments.

(By The Associated Press.)

Heroically-defended Bataan, the American keystone in the Philippines, apparently fell today, and Secretary of War Stimson indicated that the bulk of 36,853 effective defense troops faced death or surrender in the climax to three months of bloody conflict against Japan's invasion armies.

Other American forces were reported still holding out on Corregidor and nearby island fortresses in Manila Bay.

For the first time, Stimson revealed that urgent efforts were made beginning last January 11 to reinforce the besieged Philippine forces and that several shiploads of supplies sent from a base in Australia actually reached Corregidor and Bataan.

"But for every ship that arrived, we lost nearly two ships," Stimson said.

The War secretary also disclosed that President Roosevelt has authorized the American commander in the Philippines to make any decision he deemed necessary in the light of events.

"This is only a temporary loss," Stimson said. "We shall not stop until we drive out the invaders from the island."

Stimson's report on the end of America's heroic chapter of Bataan followed a War department bulletin announcing that wave after wave of Japanese shock troops engulfed the battle-exhausted defenders east flank on Manila bay.

The communique said:

"Full details are not available, but this situation indicates the probability that the defenses on Bataan have been overcome."

A communique at 5:15 a. m. EWT said Lieutenant General Jonathan M. Wainwright had messaged from Fort Mills at Corregidor Island that an attempt to relieve the situation "failed due to complete physical exhaustion of the troops."

It was not immediately known how many troops of the tiny American-Filipino defense army, badly cut up by four months of bloody conflict in which even heavier losses were inflicted on the enemy, reached Fort Mills with General Wainwright.

Other major developments crowded the far Pacific war picture.

In the Berlin radio, quoting Tokyo

(Continued on Page Three)

JAP PLANES BOMB SOLOMON ISLANDS

Melbourne, April 9.—(AP)—Five Japanese bombers flying at 5,000 feet raided Tulagi, in the Solomon Islands, this morning and dropped between 30 and 40 bombs, Prime Minister John Curtin announced.

(Tulagi lies almost 500 miles southeast of Japanese-occupied Buka at the tip of the Solomon chain, across the Coral sea from Australia.)

RAF Bombers Keep Up Raids

London, April 9—(AP)—A strong force of RAF bombers, daring bad weather to resume their nightly assaults on Germany, attacked the key port of Hamburg and other objectives in northwest Germany last night, the air ministry reported today.

Docks at the German-occupied French port of Le Havre also were bombed, the communique reported.

Six bombers were lost in the forays, it was said.

Torpedo bombers of the coastal command yesterday afternoon attacked a convoy of enemy supply ships off the coast of Jutland but the air ministry said results of the attack could not be observed. The British said they lost two coastal command planes.