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TWENTY-NINTH YEAR

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HENDERSON, N. C., THURSDAY AFTERNOON, MAY 7, 1942

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# British Capture Diego Suarez

Captured In Manila Bay 11,574

Warming Up an Army Kittyhawk Fighter

## Wainwright Is Presumed A Captive

War Department Issues Estimate of Numher of Fighting Men and Civilians on Corregidor and Other Island Forts.

Washington, May 7.—(AP) War department annonneed today that approximately 11.574 soldiers, sailors, marines and civilians presumably were captured by the Japanese on Corregidor and the other Manila Bay forts.

The estimate was based on re orts received up to April 15, a communique said, and did not take into consideration casualties which might have been suffered in the last three weeks.

The total included 2,275 naval personnel, 1,570 marines, 3,734 American soldiers, 1,280 Philippine scouts, 1,446 soldiers of the Philippine commonwealth army, and 1.269 casuals, including civilians and individuals not otherwise classified.

unique was issued at a erence by the undersecre-u. Robert P. Patterson, that Lieutenant Genera Wainwright, commandnerican-Filipino forces. was among those car-

From Japanese Broadcast) AP) Imperial headquar aced today that Japanese d completed occupation of and other fortified isdunila Bay by 3 a. m. today re (7 p. m. Wednesday

dispatches said Lieute-Jonathan M. Wained his staff surrendered to e on Malinta Itill, cen at of the fortified island,

#### NEGRO FUGITIVE IS SHOT TO DEATH

May 7.—(AP)—William O-year-old Negro carpenpostemen were hunting Dawquestioning in connection shootings.

### RAF Raids Continued

Stuttgart Bombed for Night; Planes Over France in Daylight.

London, May 7 .- (AP) -Royal air force bombers continuing their smashing attacks at the industries feeding Adolf Hitler's war maching, hammered Stuttgart last night for the third successive night and roared into France by daylight today. Seven of the night raiders were

man manufacturing city, which profuces aviation engines, tanks, and electrical equipment, and at other largets in that region.

Docks at Nantes also were hit for the third successive night and raids also were made on air fields in German-occupied territory.

This morning four Messerschmitts hel onto a southeast coast town and inloaded bombs which destroyed a production.

large country home. Were no casualties and litthe other damage was reported.



Mounted in flying position, a Curtiss Hawk P-40E, more commonly known as a Kittyhawk, is publicly demonstrated for the first time at Buffalo, N. Y. It is shown on the firing range with its propeller going full blast and machine guns firing rapidly. Those lines of light are caused by tracer bullets by which the pilot can tell whether his shots are reaching their targets.

### India Urged To Resist Japs

#### Income Tax Hike Asked

Morgenthau Urges Lowering of Exemptions to Add 6,900,000 New Taxpayers.

Washington, May 7 .- (AP) --Secretary of the Treasury Morgenthau told the House ways and means committee today that "the time has now come" to lower personal exemptions under the individual income tax to \$500 for single persons, \$1,200 for married couples and \$300 for each dependent.

Chairman Doughton, Democrat North Carolina, of the committee made public a letter in which Morgenthau said the reductions would produce about \$1,100,000,000 of which \$100,000,000 would come from 6,900,000 new taxpayers.

The letter said that this new in of to death yesterday by crease would be over and above th emen in a blazing cli- \$3,200,000,000 be asked Congre manhunt begun yesterday raise from individuals as part of an er Police Chief John B. overall \$7,600,000,000 tax program nd four members of a Ne-present exemptions are \$7.50 for gle persons, \$1,500 for married ples and \$400 for dependents

Last year the 7,000,000 moly lau who paid income taxes paid \$5,500,000,000. Under any of various pla that have been presented, they wo pay much more hereafter but some committeemen have said there was strong possibility that some of Mon genthau's steep surtax rate increase.

would be pared down. did not indicate what reception it

Washington, May 7.—(AP)— Undersceretary Robert P. Pat-terson of the War department said today that the rubber short-age was "so neare" that the time visits to Cousin Joe and pettin

At a press conference Patter would demand curtail-Partierson said present governnent plans centemplated comus-

by the public, but not the the fortiscoming rationing of gas offine would go a long way to-

There is no que tion or the her situation it present drive hands continue, Patterson so Wasteful practices of the bust soon become only

#### GM Yields Completely To War Board

eral Meters Corporation yielded com-pletely today to the war labor Doughton told newspapermen that aboard's order for temporary exten-Morgenthau's letter proposing lower sion of double time payments for exemptions was presented to the Sunday work and acknowledged at committee at a morning session but a tense public hearing that its cri-

(Continued on Page Four)

#### Third Successive Reduction In Freight Rates May Lead To More Contracts

By BOB THOMPSON

they were prevented by treight rates within the immediate future. Whe from making an acceptable bid on the news of the order was reported

The decision is of importance to ton.) industries other than those equipped to make ammunition boxes. It bears titude may prove to be, southern out the recent statement of Utilities manufacturers who can do certain Commission Chairman Stanley Win- war production are still handicapped borne that both the railroads and the by the rates on many war products. dived out of the haze over the chan- ICC are prepared to give speedy As there never has been much of

The ammunition box order was is- special rates affecting them. Con- clared, cut the road which united ued May 1, effective May 5. It was I handed down so quickly that it was

Dairy Dispatch Bureau, in effect before either the WPB In the Sir Walter Hotel. tracts distribution office or many Raleigh, May 7.—While a number of North Carolina woodworking and metal plants were complaining that the manufacturers knew anythin

The raiders went in considerable of the raiders went in considerable commerce commission came through the raider with an emergency order cutting the rates to a figure slightly below that rates to a figure slightly below that charged eastern and northern competitors.

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### Rubber Shortage Now More Acute **Newspapers** Carry Ads

Efforts to Create Through Radio, Posters and Press.

New Delhi, May 7 .- (AP) --The government of India launched a vigorous campairn today to create fighting spirit in this country whose major political group-the Congress party-deeided a week ago that the only way to oppose a threslened Japanese invasion would be by "no-violent non-cooperation."

Morning newspapers carried full page advertisements warning the public that work, not words, would stop the Japanese.

in broadcasts, posters and additional dvertisements, a government spokes May 7.—(AP)—DNB quoted a special May 7.—(AP)—DNB quoted a special The advertisement shows a bayon- Hitler's headquarters that German

The advertisement shows a bayonet rammed through a sheaf of papers
beneath the heading: "Words will
ind step the Japanese."
"If 400,000,000 people decide that
the Japanese are to be stopped, they
will be stopped," the advertisement
said.

Hitle's headquarters that German
U-boats have sunk 20 enemy merchant ships off the east coast of
North America and in the Caribbean
sea.

The ships were said to total 138,000tons. The length of time covered
by the sinkings was not specified.

home is uncertain, because until Lapanese entered. Burma six eeks ago British poley was to send em to other fronts. The army conceivably could have

been expended to much more than 2,000,000, but there were two limiting factors-equipment and officers Officer training is being expanded and lease-lend aid from the United States is helping to relieve the equipment shortage.

### Reds Gain In North

German Detachment Encircled Near Leningrad, Wedge Driven Between Forces.

Moscow, May 7 .- (AP)-The Red army, attacking across bogs of the Leningrad front, was reported to have driven a wedge between two Germans forces and encircled one nazi detachment in an important sector west of the long-besieged city.

Red Star said the Russians captured a junction point which the Gerconsideration to rates related to war this sort of thing manufactured in mans had held throughout the winthe territory, there are not many ter. This action, the army organ de-

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### Japs Occupy China Town Of Wanting

Mechanized Japanese Lpearhead Advances 25 Miles Beyond Border Town; Fighting Continues Around Mandalay.

Chungking, May 7.—(AP)— The Japanese have occupied the Chinese town of Wanting, on the Chinese-Burma frontier, and a mechanized spearhead supported by planes has pushed up the Burma Road almost to Chefang, 25 miles beyond Wanting, an army spokesman declared to-

Heavy fighting is in progress, the spokesman said.

He added that the Chinese did not have enough time to destroy the Burma Road in this area once an avenue of important supplies for the armies of Generalissimo Chiang Kai-Shek, but pointed out that the farther the Japanese advanced, the more exposed their lines of communication became to Chinese flank attacks.

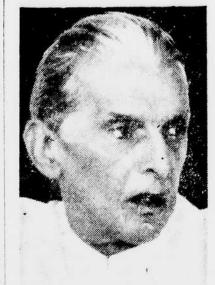
The army spokesman said that Chinese troops still were fighting around Mandalay, Burmese city which has fallen to the

had been captured by the enemy or Itralian supply routes.

#### Hitler Claims More Sinkings

announcement today from

#### Leads the Moslems



Now that ominous war-clouds gather over India, attention is focused on such persons as Ali Mohamed Jinnah, head of the Moslem minority. He turned thumbs down on the plans offered by Sir Stafford Cripps. His people comprise a smaller part of the population than the Hindus and he fears that an independent India may turn them into a persecuted minority.

#### Japs Active In Pacific

Allied Bombers Move to Counter Threat to American - Australian Supply Routes.

7-(AP)-An ominous increase in Japanese naval activity around New He denied that the towns of Britain and the Solomon islands was Fighting Spirit Made Bhamo, in Burma 40 miles west of reported today, with the allied bombhe Chinese berder, and Msitkina, 80 er command swiftly countering with and about high explosives this developing threat 40 miles west of the Yuman border, to the all-important American-Aus- French and native population.

> Yunnan province from occupied ing the strengthening of the Japan- fight to the end, the island's defend-French Indo-China.
>
> See in those two north-northeastern groups where they already have estim at Tananarive, the capital, on the Japanese to gain complete con- tablished footbolds, said the Japanese a plateau in the center of the island, the Japanese to gain complete con-trol of Burma with their present strength, estimated at five divisions. New Britain, were "atacked success-New Britain, were "atacked success-

> > the invader's torces in those areas: r direct assault on Australia or an capti encircling more to seize the screen

NOT A CANDIDATE.

Albany, N. Y., May 7 .- (AP) -Covernor Herbert H. Lehman, New York's four-term Demoeratic chief executive, announced today he would not be a candidate for re-election and added: "If nominated I will not accept the nomination."

#### Madagascar Naval Base Surrenders

Antisrana, Chief Town in Harbor, and Neighboring Village Fall to Forces; Further Resistance Expected.

(By The Associated Press) British shock troops have captured the big naval base of Diego Suarez in Madagascar less than 48 hours after their attack on the 1,000-mile long French island, it was officially announced today, while Japanese warships started threatening new maneuvers north of Australia.

"Antsirana, chief town in the harbor of Diego Suarez, was captured by night attack last night," a British admiralty-war office communique said.

"The French naval and military commanders at Antsirana have surrendered," the announcement said, and all French resistance at the base collapsed. British troops also captured the small village of Diego, three

miles northeast of Antsirana. Tank-led British commandos and infantry striking from the south launched the main attack on the key naval base, which commands allied sea lanes to the Middle East, India and China, Royal marines landed north of the town to create "a valu-

que said. While the fall of Diego Suarez con-stitutes a major victory in the Brit-Thesday, considerable further resistance may be expected from the re-

able diversion." the communi-

hat Japanese forces had entered A headquaters communique, not- German premier, Pierre Laval, to

No details were given, but obvious- preceded by naval bombers charged a strong French position, protected ly headquarters was alive to these by 75 mm. field guns and machine implications of any strengthening of guns, a few miles outside Diego and opened the way for its

> In London, Prime Minister Churchill told parliament that a protocol was being drawn up between the opposing commanders and that the British fleet was expected to enter Diego Suarez harber about 3:30 p. m. Churchill said the first assault

> on French positions Tuesday resulted in losses which might have exceeded 1.000 men, but

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#### Babson Says Good Stocks Are Now On Bargain List

By ROGER W. BABSON Copyright 1942—Publisher

ions, the market has been very sen- downward. itive for some months with the emphasis of movement on the downside. This has been occasioned main-

Position of Foreign Markets

London Exchange have, however, the countries most affected.

tax laws are far more drastic than curs. The regulations and restric-

tions under which their people work eat, and live make our price cei ings, priority rules, and food cor trols seem like child's play. Yet I y 7.—Without couring the face of conditions for worse that individual issues, it any which have yet touched our certainly seems to me that the stock own country, foreign stocks have admarket as a whole is in a buying vanced while the bulk of our own one. Naturally, in view of condi- securities have consistently moved Inflation the Answer.

Any historical study of inflation

such as occurred both during and ly by domestic industrial uphravals, after the last war shows that the need inty of the tax and pro- time ultimately comes when people fits situation, and bad news from the prefer to own real property and good stocks rather than bonds and cash. Inflationary forces are steadily Considering all that Great Britain work here, but they are further adhas been through and particularly vanced in the countries previously with the Germans sitting only 20 mentioned. We see in our increasing niles away from the British Isles, national debt, in the scarcity of conone would naturally expect a badly- sumer goods, and in rising prices acting London market. Stocks on the only the first effects of inflation.

Investors of other nations are pled, the admiralty said. teadily advanced in the face of fall- ahead of our own group in realizing ing New York prices. This is like- that cash is no longer the form in wise true in France. Holland, and Germany Ever since the war start- so here, as witnessed by the large said to have got through 90 per cent ed, common stocks have advanced in amount of money now in circulation intact, with a loss of three ships. The Its total far exceeds any that this All of these nations have propor- country has previously known. Much tionately larger debts than the Unit- of this money is held by foreigners ed States. They have suffered great who fled Europe. Their fears have amounts of property damage. Their been communicated to our own peo-

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### Convoy Gets Through

British Admiralty says 90 Per Cent of Ships Reached Russia; Cruiser Lost.

London, May 7 .- (AP) - The loss of the 10.000-ton cruiser Edinburgh and four convoyed merchantmen in a running sea fight along the storm-tossed Arctic supply lane to Soviet Russia was announced today by the admiralty, which declared that 90 per cent of the convoy got through safely despite plane, warship and U-boat attacks.

The attacks, severest from April through May 2, cost the German one destroyer sunk, another damaged severely, at least two dive bomber; destroyed and others perhaps crip-

of the air, sea and undersea assaults.

(Continued on Page Four)

FOR NORTH CAROLINA. Slightly cooler tonight.