



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., WEDNESDAY AFTERNOON, MAY 26, 1942

PUBLISHED EVERY AFTERNOON EXCEPT SUNDAY

FIVE CENTS COPY

It's Back Again



Phil J. Walusek (left) of Chicago and Master Sergeant O. L. ...

CURTIN WARNS OF NEW THREAT

Australian Prime Minister Declares 'Our Fighting Men Hourly Face the Supreme Test; Air Forces Are Active.'

(By The Associated Press) Overshadowed by the great battles in Russia, the far Pacific war theatre took on an ominous new significance today and Australia's Prime Minister John Curtin warned that "the tempo of the struggle is increasing and our fighting men hourly face the supreme test."

Allies Want 1,000 Planes To Raid Nazis

London, May 26.—(AP)—Aided by a combination of factors, the Allies are now in a position to mount a major offensive against Germany, an authoritative source indicated today.

Churchill Criticised

Here-Belisha Urges Establishment of Separate Ministry of Defense.

London, May 26.—(AP)—Leslie Hore-Belisha, former war secretary and a sharp critic of Britain's war leadership, urged today the establishment of a separate ministry of defense.

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Ayres Now In Army

Fort Lewis, Wash., May 26.—(AP)—Nator Lew Ayres, it is reported, has joined the Army and will be sent to a combat zone in the near future.

Preparing For Invasion Of Caucasus,

Nazis Mass 'Chutists

Higher Income Taxes Approved

Individuals To Pay More Under Bill

House Ways and Means Committee Puts Finishing Touches on Measure, Raising Normal Levy and Increasing Surtaxes.

Washington, May 26.—(AP)—The House ways and means committee today put the finishing touches on a new individual income tax bill, increasing the normal levy from 4 to 6 per cent and graduating surtaxes steeply upward.

Chairman Doughton, Democrat, North Carolina, announced that the committee had agreed both to increase the normal tax rate and to strive for an additional \$2,750,000,000 in revenue, but he declined to disclose what the surtax rate might be.

Members indicated that the present 6 per cent surtax on the first \$2,000 of net income probably would be jumped to 11 or 12 per cent, and that the maximum would be 80 or 85 per cent.

On the 12 per cent basis, a married couple with two children and a \$3,000 net income who now pay \$360 next year, a single man with the same salary, who now has a tax bill of \$271, would be faced with a tax of about \$437 next year, depending on the second surtax bracket level.

Present law calls for a 4 per cent normal tax and surtaxes starting at 6 percent on the first \$2,000 of net income. The Treasury had recommended increasing that \$2,000 into four equal parts and increasing rates of 12, 15, 18 and 20 per cent, respectively.

The committee had followed recommendations of its own staff of experts, more closely than those of the treasury in cooperation tax rates and in being the normal individual rates. Members said it probably would do the same in surtax rates.

It was learned that the committee probably would decide also today the question of giving Secretary Morgenthau discretionary authority to collect up to 10 per cent of a person's taxable income in any one through salary deductions.

Mountain Streams Flood After Big Rain

Bowling, May 26.—(AP)—Mountain streams in this area, swollen by heavy rains last night and today, gushed out of their banks and flooded lowlands, interrupted travel in the vicinity, threatened crops and possibly a dam under construction on the French Broad river.

Russian Planes Blast an Invading Nazi Tank Column



The photo captured a column of Nazi tanks moving up a hill on the Ukrainian front. Six or eight planes from the Russian Air Force were seen attacking the column from the sky.

Two Vessels Hull Now Hopeful Sunk In Gulf Of Early Victory

Thirty-Three Seamen Killed, Bringing Two Weeks' Casualties to 64 Sailors.

New Orleans, May 26.—(AP)—The axis toll of cargo ships in the Gulf of Mexico grew heavier today following the announcement by the Eighth naval district here of the sinking of two more medium-sized ships of U. S. registry last week.

Thirty-three seamen were killed in the last two sinkings on May 13, bringing the total casualties to 64 seamen in about two weeks. Seven ships have been attacked and six sunk. One was towed to port badly damaged.

Two crewmen, brought ashore at Key West, Fla., related how they found safety in the water tanks and the flames subsided and they were able to get out of the ship and take off a their ship was breaking up.

The second ship was torpedoed about 10:45 p. m. the night-stoking just below the water line. Twenty-one deaths either from the explosion or from burns which kept them from leaving the ship.

New Material May Solve Gas Shortage

Washington, May 26.—(AP)—A Senate subcommittee today reported that a patented material used to line the wings tanks of Albatross bombers might be utilized in producing a new type of gas turbine engine.

Great Midwestern district of industrial development, described as essential to the growth of a new type of engine which is being developed by a company in the Midwest.

It was noted that the Pennsylvania Railroad is planning a similar project and that the project is being developed by a company in the Midwest.

Walsh Exonerated

Justice Department Investigator Clears Senator of New York Paper's Charges.

Washington, May 26.—(AP)—Senator Charles McNary, Democrat, Oregon, today announced that the Justice Department investigation had "completely exonerated" Senator Walsh, Democrat, Massachusetts, of published statements that Walsh had "acted in a 'house of deception' in Brooklyn."

Walsh told his personal secretary that he had never been to the house in question and had only been in Brooklyn three times in his life.

Reds Storm Defenses Of Kharkov

Germans Plan Giant Air-Borne Assault on Oil-Rich Caucasus as Russians Drive 'Into the Heart' of Kharkov Defenses.

(By The Associated Press) Russia's armies storming toward the great Ukraine steel city of Kharkov were reported by London sources to have fought their way "into the heart of the city's defenses" today, while the Germans were massing 100,000 parachutists for a giant air-borne invasion of the Caucasus.

The German high command said that axis Crimean troops had already overrun the Kerch peninsula, across the narrow Kerch strait from the oil-rich Caucasus. Moscow said battles still raged there.

In the Ukraine, the Red armies, led by monster 52-ton tanks, were pictured in Soviet dispatches as advancing over fields littered with many hundreds of German dead in the nine-day old offensive against Kharkov, while the nazis desperately attempted to ease the pressure with a diversion at Luch 80 miles to the south.

Apparently the Russians refused to be deceived. A bulletin from Red army headquarters announced tersely: "Our troops waged offensive battles, beat off enemy counter attacks, and advanced."

At mid-day, the Russians reported they were smashing over closer to Kharkov despite stiffened German resistance and declared the fighting was spreading like wildfire along the entire southern flank of the 125-mile front.

Disparities to Red Star, the Soviet army newspaper said that in one sector German and Russian tanks and infantry were locked in a terrific battle at such close quarters that their warplanes dared not risk supporting their own land troops for fear of hitting them. In this close fight, 40 German tanks were reported left in ruins and 60 others destroyed elsewhere.

Sixty-two Nazi tanks were reported destroyed in yesterday's daylight fighting and 27 more were left in fire-charred ruins as the battle raged into the night. The Soviet communiqué also listed 1,638 German officers and men killed and wounded in the latest hours of the struggle.

German military quarters said a successful German counter-offensive toward Lyman and Barvenkova, 20 miles below Kharkov, would be a serious threat to a very tender spot in the Red army's drive on Kharkov, but the Russians indicated that so far they had lost no momentum.

The important factor, however, was the undiminished size of the German counter thrust. Unless it were a full scale offensive, the nazis could expect little more than to distract the Russians advancing on Kharkov or to outflank a secondary Russian movement toward Lwowka.

This secondary Russian thrust, in itself, is a drive to outflank the German defenders of Kharkov. Hitler's field headquarters acknowledged that Marshal Semyon Timoshenko's armies were pressing new attacks against the big steel city, but asserted they had been repulsed.

Countering a Berlin claim that axis troops had crushed Soviet resistance on Kerch peninsula, in the Crimea, a Russian communiqué declared: "Battle continues in the vicinity of the city of Kerch."

Probation More Popular With Judges

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

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WEATHER FOR NORTH CAROLINA. Sent by the Post-Office, to the postmaster.