



Henderson Daily Dispatch

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\$100,000,000 WAR BUDGET SUBMITTED

Russian Drive Recaptures 13 Towns

Nazi Lines In Caucasus Crumbling

Russians, Once Badly Outnumbered In The Air, Report Three-To-One Ratio Of Aerial Victories During Past Week

(By The Associated Press) The Russians announced today the recapture of 13 more towns along the Rostov-Baku railway through the Caucasus as they closed in tighter around the Georgievsk rail junction where the nazis had been rolled back some 75 miles from Mzodok, gateway to the Grozny oil fields.

The German defenses in the Caucasus apparently were crumbling fast, and although desperation stiffened the nazi stand in the lower Don, 60 miles from Rostov, and on the central front west of Vukle Luki, there was no sign that the Russian drive had bogged down.

With Germany's air power spread ever thinner by the broadening scope of aerial offensives, the Russians, once badly outnumbered in the air, reported a three-to-one ratio of victories, last week—213 enemy planes destroyed against a loss of 32 Soviet aircraft.

American and British warplanes cannot do the job in the Caucasus and in North Africa. German headquarters at Karoun in the central Tunisian battle zone was demolished late yesterday by a bomb dropped squarely on the building by Major Philip G. Cochran of E-8's.

F26 Martin Marauders, escorted by P-38 Lightning fighters, swept into Libya from the west for the first time Saturday night, smashing nazis at an airbase ten miles west of Tripoli. That same night allied planes from the east swept over the coastal region bombing the road from Tripoli to the Tunisian frontier. The port of Tunis and its air bases on Sicily were in flames yesterday.

The British bombers, perhaps 100 to 150 strong, set off fires visible 100 miles in a hard new raid Saturday night on Essen, home of the great Krupp armament works.

The Russian mid-day communiqué gave the account of the continued Soviet offensive.

In the Caucasus, "Troops of one formation, severely advanced and annihilated the enemy from 13 populated places. An especially fierce engagement developed near a certain river position. Under enemy fire, Red army men crossed the river and broke into the German positions. As a result of hand to hand fighting the Hitlerites were thrown back. Our troops captured a considerable number of trophies. Prisoners also were taken.

On the lower Don, our troops repelled enemy counter attacks and contained their offensive. One unit captured a populated place.

Northwest of Moscow, on the central front, our units repelled an enemy counter attack. In another sector the enemy, at a cost of heavy losses, succeeded in driving a wedge into our positions. By a subsequent counter blow, however, our troops forced the Germans back to their original positions."

Congresswomen Attend Washington Luncheon



A group of congresswomen, all Republicans, are pictured at an important luncheon given by Mrs. E. Brown, national committee-woman from Ohio, in the House Restaurant in Washington. Reading clockwise from woman second from left: Mrs. C. South, Maine; Rep. Winifred Stanley, New York; Rep. Edith N. Rogers, Mass.; Mrs. Kathleen K. Brown, Ohio; Rep. Jessie Sumner, Illinois; Rep. Frances Bolton, Ohio; Rep. Clare Lane, Conn.; Marion Martin, executive secretary of the Women's Department of the National Republican Committee. This is a photograph. (Central Press)

Committee Hits WPB

'General Maladministration' Of War Production Program Charged In Report

Washington, Jan. 11.—(AP)—Charges of "general maladministration" of the war production program, "haphazard" handling of manpower, and failure to use small industry in the war effort were laid before Congress today by the special House committee on national defense migration.

"Unless this country enjoys an unusual measure of good luck, good management and good luck, both the period of war immediately ahead and the period of peace to follow will be marked by many difficult and trying days," the committee said in its final report.

Deploring that "we cannot afford the luxury of self-congratulation" on 1942's production levels, the committee said:

"Not only have our allies suffered severely for lack of lend lease supplies we have been unable to deliver, but even the equipment of our own forces is very uneven."

The committee, which began its work two and one-half years ago with a study of the problems of wandering workers—"Okies"—and turned later to those which developed with the war's demand on manpower, recommended:

(1) Creation of an office of war mobilization, (2) complete reorganization of the national employment service, (3) federal regulation of employment agencies and "labor contractors" to prevent abuses of migrant workers, and (4) revision of social security to provide general public assistance, along with enactment of uniform settlement law to remove barriers between the States.

Kerr To Name Committees

Raleigh, Jan. 11.—(AP)—Committee appointments are slated to be announced in the house tonight at the General Assembly, ending its week end recess, moves into the first full week of the 1943 legislative program.

The assembly will convene at 10 o'clock, with the post-war fund bill on the Senate calendar and committee assignments as announced by Speaker John H. Kerr, Jr., topping the program for the house.

Japs Beaten Back On Guadalcanal

Negro Admits Fatal Shooting

Elizabeth City, Jan. 11.—(AP)—Elizabeth City, N. C., Negro, admitted today that he had admitted shooting and killing a white man in a shooting and police operation in the city yesterday.

5,000 Men Resume Jobs

19,000 Other Anthracite Miners Remain On Strike In Pennsylvania Outlaw Walkout

Wilkes-Barre, Pa., Jan. 11.—(AP)—Approximately 5,000 striking miners returned to work today in Pennsylvania's anthracite fields but an estimated 19,000 others continued a 12-day old government-condemned walk-out that has created the most critical hard coal shortages in years.

Headline reported arrivals from French Coast Guard today, the War Department and Dept. of Interior leaders, 2,000 workers resumed production on a limited scale at of three collieries of the Great Aiken Coal Co.—the industry's largest operator while other took on their jobs again at three collieries of the Ledingh Valley Coal Co.

Decision by the six collieries to go back to work was reached at a week-end meeting called after leaders denounced the strike as "intolerable" and Lieutenant Colonel Charles W. Kereswill of the War Department urged the men to return to the mines for one week pending settlement of their grievances.

Artillery, Air And Ground Forces Combine To Score Small Advances; New Aerial Blows Struck At Convoy Fleeing From New Guinea

(By The Associated Press) The Navy announced today that American forces on Guadalcanal island had made small advances into enemy territory against weak resistance following an artillery barrage and aerial bombing and strafing.

While the combined use of artillery and ground forces suggested to the press that the main operations to reach the peninsula and destroy the Japanese might be in the hands of the ground forces and that the main emphasis of its operations should be on the air.

It is reported that several weeks of fighting in the air, which to this point has had little effect on the Japanese position of strength may be very profitable.

Meanwhile, the punning of a badly battered Japanese convoy fleet fleeing from New Guinea gained its way today as General MacArthur's headquarters announced new aerial blows in which two more ships were hit and the total of Japanese planes shot down or crippled in four days of blazing action was boosted to 138.

While the Japanese were able to get away from the coast, the Navy reported for New Britain Saturday night were limited only at heavy losses.

And while it is still very early in the day, it is clear that the Japanese are being driven back from the coast of New Guinea to New Britain.

General MacArthur announced "with profound sorrow" that Brigadier General Kenneth N. Walker of Glendale, Calif. had failed to return from an aerial attack on Rabaul, New Britain, January 5. When the Japanese ships were missing for the race to New Walker led the formation of 12 Japanese destroyers and 50,000 tons of Japanese shipping.

United States forces at the opposite end of the Solomon island chain continued their almost daily pounding of the Japanese air base at Munda on New Georgia island.

FDR Sends Nominations To Congress

Rutledge Named For Supreme Court, Brown To Be Price Administrator, Flynn To Minister To Australia, And Lee To CAB

Washington, Jan. 11.—(AP)—President Roosevelt sent to the Senate today the nominations of Wiley R. Rutledge, associate justice of the United States court of appeals for the District of Columbia, to be an associate justice of the Supreme Court, and of Francis M. Brown, former Michigan senator, to be price administrator.

The Chief Executive also nominated Edward J. Flynn, chairman of the Democratic national committee, to be minister to Australia, succeeding Nelson Johnson, who is retiring from the diplomatic service.

Jack Lee, former senator from Oklahoma, was nominated to membership on the civil aeronautics board.

The 46-year-old Rutledge, former dean of the law school at the University of Iowa, will take the place vacated on the Supreme Court when Chief Justice Charles E. Hughes was appointed associate justice.

Brown, a former House member from Michigan before going to the Senate, was defeated in re-election in November, 1938.

Lee, in addition to serving as minister to Australia, will be the personal representative of the President with the rank of ambassador in the southwest Pacific area. He has called a meeting of the Democratic national committee for next Monday to act on his resignation and then a recess on Thursday. General Walker, who previously was national chairman, is expected by some persons to get the job.

Cotton Prices 15-25 Lower

New York, Jan. 11.—(AP)—Cotton futures opened 15 to 25 cents a bale lower.

Stock Market Shows Gains

New York, Jan. 11.—(AP)—Buying of steel kept the stock market on its feet today although many leaders continued to stumble.

WEATHER FOR NORTH CAROLINA. Continued rather cold but with slightly higher temperatures tonight.

Heads Don Drive



Lt. Gen. Konstantin Rokossovsky, one of the youngest generals in the Russian army, is making a bid for immortality by his handling of the Don offensive against the Germans. He is in command of the drive to recapture of Tsimlyansk, which lies the German key city of Rostov as the ultimate goal. A large Nazi army will be trapped if he attains that goal. (Central Press)

War Output Limit Nears

President Roosevelt Reveals Trimming Of Requests By Army And Navy For War Goods

Washington, Jan. 11.—(AP)—The United States is rapidly approaching the limit of its capacity to produce the guns, ships and planes essential to victory, President Roosevelt disclosed today in submitting to Congress a budget for the twelve months beginning next July 1.

That the all-time production level will be attained to near out after the end of 1943 but already have been reached by the Chief Executive, yet he said, it will tell somewhat about giving the Army and Navy all the weapons they require, it is necessary to tell the Congress the true picture.

In short, Mr. Roosevelt told a press conference, the Army and Navy high commands initially submitted requests for weapons on the basis of strategic needs alone and those had to be modified and dovetailed into the overall production prospects which are limited by factors of manpower, plant capacity, raw materials and the like.

The President declined to detail the military requests, saying the various Army and Navy requests were being processed. An "inter-agency committee" may be formed to coordinate the requests, he said.

The budget estimates munitions expenditures at \$2,000,000,000 and July 1942 expenditures at \$1,000,000,000. Other expenditures at \$1,000,000,000, other than munitions at \$1,000,000,000. Total expenditures at \$4,000,000,000.

Stock Market Shows Gains

Pacts Signed With China

Mr. Roosevelt said today he and Budget Director Harold D. Smith preferred to lay down a more explicit tax program, but the necessity of ensuring Congress limited funds to the more statement in the budget message.

Added Taxes Advocated To Pay Bill

Total Spending For Coming Fiscal Year Estimated At \$109,000,000,000, With \$16,000,000,000 To Be Raised In New Levies

Washington, Jan. 11.—(AP)—President Roosevelt laid before Congress today a \$109,000,000,000 budget to spend the day of victory, and to help raise this record sum he asked for \$16,000,000,000 in additional taxes or compulsory savings.

Altogether, Mr. Roosevelt estimated government spending in the fiscal year beginning July 1 at \$109,000,000,000, and he said in a message to the lawmakers, "this budget represents the maximum program for winning war."

The new tax program he requested amounted a \$25,000,000,000 in the case of moving after payment of taxes, regardless of the source of the money.

The budget, which estimates spending for the twelve months beginning July 1, not only dwarfed anything in the history books, it represented more than the annual money expenditures of all the other belligerents on both sides of the war, put together.

It was nearly three times what Germany is spending four times England and fourteen times Japan.

In the current fiscal year, America's war effort is estimated by the Roosevelt administration to be about \$72,000,000,000. Add to that another \$37,000,000,000 spent between Pearl Harbor and the beginning of the current year, and the American war bill between December 7, 1941, and June 30, 1943, will be \$109,000,000,000, or a one billion dollar short of all the money spent by the Treasury from the day George Washington was inaugurated in 1789 until the Japs started Pearl Harbor about a year ago.

"Some persons may believe that such a program is fantastic," commented the Commander in Chief. "If the nation's manpower and resources are fully harnessed I am confident that the objective of this program can be reached, but it requires a complete recognition of the necessities of total war by all—management, labor, farmers, consumers, and public servants—regardless of party."

Emphasizing that the program requires the full cooperation of the entire people, he said, "it is necessary to ask that the people be fully informed of the true picture of the war effort."

Victory cannot be bought with any amount of money. However, a large victory is achieved by the blood of soldiers, the sweat of working men and women, and the sacrifice of all peoples.

To the farmers, he urged the lack of leaving the United States for food is a primary weapon of war, and he requested \$225,000,000 for federal farm and industrial, among other things, to direct agricultural acre, from luxury resorts, nutrition essential.

A comparison of 1942 and 1943 budget figures shows the following:

(Continued on Page Two)