

NAZI PLANES CARRY ITALIANS TO ALBANIAN FRONT

Britain May Order Billions Worth Of Arms

Negotiations For U. S. Deal Are Started

May Be Financed Under President Roosevelt's 'Lease-Lending' Plan

CONGRESS MUST APPROVE Plan To Buy 12,000 More Warplanes And Approximately 2,500 Tanks

WASHINGTON, Dec. 19.—(AP)—Great Britain has begun negotiations, it was disclosed today, looking toward ordering \$3,000,000,000 worth of arms in this country, possibly to be financed by the United States under President Roosevelt's "lease-lending" plan.

Announcement that the British had been told to go ahead with negotiations on new war orders was made by Secretary Morgenthau who said no contracts would be signed until congress could act on Mr. Roosevelt's proposal for putting aid to Britain on a new footing.

Proposed Plan As outlined by the President at a press conference last Tuesday, the idea is for the United States to take over British orders for war materials, pay the manufacturer for their production, and lease or lend the products to Britain. When the war was over, the British would return those arms which were in good condition and replace those destroyed.

Morgenthau gave no hint as to the size of the proposed new British orders, but informed sources said the total was upward of \$3,000,000,000 and included the following: About 12,000 additional warplanes, to cost \$1,125,000,000, and 2,000 to 2,500 tanks, guns and ammunition to cost about \$1,700,000,000. Current British contracts are understood to total about \$2,500,000,000.

The treasury secretary's announcement came amid increasing indications that some steps would be taken very shortly in an effort to speed arms production.



Uncle Sam has paid close attention to the many lessons in military matters afforded by Europe's wars. One of the first was given by Finland, which sprang some new things in winter fighting. Fruit of this lesson was the formation of the U. S. Army's own white-uniformed ski unit. Some of its 110 picked men, of the 26th Infantry, are pictured above, practicing at Lake Placid, N. Y.

Anti-Aircraft Base Work Progresses At Good Rate

ERECTING BUILDINGS Britain Plans Ship Construction In U. S. General Willoughby Looks Over Camp Layout In Trip Through Section

WASHINGTON, Dec. 19.—(AP)—Given a hearty "Go Ahead" signal by United States authorities, Great Britain tonight pushed forward with an ambitious program of cargo ship construction in this country, expected to cost at least \$100,000,000 in its early stages, and perhaps many times that sum.

Informed United States officials said that as a first step, 60 ships would be built by the Todd Shipbuilding and Drydock Division, 30 of them at Portland, Me., and 30 at Richmond, Cal., in the San Francisco Bay area.

These ships, designed to plug some of the gaps left in the British merchant marine by Hitler's submarines, are to be 410 feet long, of 9,300 tons each, and with a speed of 10 or 11 knots. They are expected to be finished in a year or 18 months.

Col. Albertis Montgomery, construction quartermaster, said last night that "wonderful progress" is being made. However, most of the work up to now has been purely organizational.

Col. Montgomery said that his office was visited yesterday by Brigadier-General Willoughby, Chief of Staff of the First Army, who, he said, was "just passing through and stopped by to look over the camp layout."

British Plan Large Attack Upon Bardia

Rear Wing Of Italian Army Entrapped There Is Facing Annihilation

EXIT BEING BOMBED Total Of Prisoners Reaches 31,546; British Lose 1,000 Troops

CAIRO, Egypt, Dec. 19.—(AP)—The British brought up new troops before Bardia today for a last heavy blow in that Libyan sector, and declared officially that the rear wing of the Italian army entrapped there was facing imminent capture or annihilation.

The road of Fascist exit to the west toward the important base of Tobruk—the next objective of the desert offensive and lying 80 miles west of the Egyptian frontier—was under intermittent bomb fire, and in the Mediterranean the guns of the British fleet commanded the route of retreat.

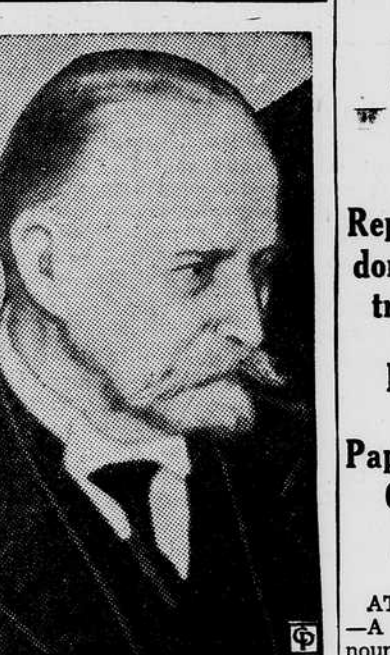
"Precarious" Position The Italian position in the whole area was termed "precarious" by the British command.

How many Italians were cut off about Bardia was not stated officially, save that their forces were described in a British communique as "numerically superior" to the lengthening columns which had boxed them in, and were believed by some to be perhaps 20 divisions.

Lengthening, too, was the British list of Italian captives. Those sorted, counted and in hand as "permanent" prisoners of war numbered 31,546, said general headquarters here, and to this number will be added the "several thousand" still being brought forth from the battle areas. Total British losses—killed, wounded and

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Former President Of Finland Dies



KYOSTI KALLIO FORMER PRESIDENT OF FINLAND DIES

Kyosti Kallio, 67 Passes After Heart Attack In Helsinki Station

HELSINKI, Finland, Dec. 19.—(AP)—Kyosti Kallio, who broke his health in leading Finland's lost cause against the Russians in 1939, died tonight of a heart attack in the arms of the country's greatest military leader, Baron Gustaf Mannerheim, just as he was saying farewell to Helsinki and to public life.

A few hours beforehand, Risto Ryti had been elected his successor as president, and Kallio, ill and tired at 67, had been driven to the railway station with his wife through streets ringing with the cries of Godspeed from tens of thousands. He was going home to the country.

On the platform a company of soldiers was drawn up in his honor. He paced smartly to the end of the line in the last act of what Helsinki had planned as its goodbye to him.

He smiled, said "goodbye, thanks for everything." Then he gasped, thrust a hand to his breast and tottered.

Baron Mannerheim caught his sagging body. Mrs. Kallio already was in the waiting train. A group of officers took in her husband's body, and the crowd was hushed.

It had been a moving and exhausting day for Kallio. After the formalities of Ryti's election there had been a reception at the presidential

GREEKS DRIVE ENEMY FROM THREE TOWNS

FASCISTS FLEE DELAY OCCUPATION Reported To Have Abandoned Palermo Bay In Retreat Toward Chimara

PRISONERS TAKEN DUCHE ASKS AID Papagos Claims Large Part Of Italian Forces 'Almost Disbanded'

ATHENS, GREECE, Dec. 19.—(AP)—A government spokesman announced tonight that the Italians had abandoned Palermo Bay, on which Porto Palermo is situated, in retreating toward Chimara.

The Fascist-held town of Klisura was under fire, he added, and the Italians also were pushed back to the outskirts of Tepelini.

The Greek command's nightly communique reported that over the whole fighting area an aggregate of more than 600 prisoners had been taken.

Fighting Continues It read: "Fighting continued successfully. The enemy despite stiff resistance was dislodged by bayonets from his positions, leaving in our hands more than 600 prisoners and a large number of automatic weapons and other materials."

"The activity of enemy aviation was directed today even against hospital installations despite conspicuous Red Cross signs. Our aviation was active on military objectives."

At one point along the central front, the spokesman added, two officers and 60 men were captured and at another in the north one officer and 150 men were seized.

In some areas where they had constructed artillery emplacements, the Italians offered energetic resistance, the spokesman said. He remarked that in places the snow was four to five feet deep.

"Despite these difficult conditions," he continued, "reports which we are receiving say our army is maintaining the initiative and that its morale remains high beyond praise."

Italian counter-attacks failed, the spokesman added, despite the arrival of fresh troops even during the operations.

GREW TAKES ISSUE WITH JAP LEADER

Ambassador Denies Interest Of U. S. In China Largely Sentimental

TOKYO, Dec. 19.—(AP)—In a blunt, unscheduled speech before the American-Japanese society, U. S. Ambassador Joseph C. Grew took issue today with the assertion of Japanese Foreign Minister Yosuke Matsuoka that "the fate of China is largely a question of sentiment to Americans."

The Ambassador's forthright remarks were made after he heard Matsuoka's exposition of Japanese Foreign Policy at a farewell luncheon for Admiral Kichisaburo Nomura, new ambassador to the United States.

Matsuoka, who had been introduced by Grew with the statement that the foreign minister "has the same sort of personal affection for our country as I have for Japan," asserted in his speech: "The fate of China is largely a question of sentiment to Americans; to us it is truly a vital issue affecting the very existence of our empire."

"We believe we have a great mission as a civilizing and stabilizing force for peace and honor. We shut our door to none. Any nation that desires to take a hand in this task is welcome."

He concluded with a plea for America to stay out of the war lest it bring on the world an "Armageddon" that would destroy civilization.

EMPTY STOCKING REACHES \$1,094

More Contributions Needed To Fulfill All Demands Upon The Fund

The Star-News Empty Stocking fund went beyond the \$1,000 mark yesterday, but with only five days remaining until Christmas many more contributions will be needed to make possible a visit by Santa Claus to the homes of all the unfortunate boys and girls who are expecting aid from the fund.

The total to date is \$1,094.93. Requests upon the fund are considerable more in number than in former years and unless there are further donations hundreds of children will not be cared for at Christmas.

You can help prevent the sorrow, heartbreak and disillusionment of many youngsters by making a contribution.

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SEABOARD, A. C. L. TRAINS COLLIDE

Passenger Engineer Killed And Ten Passengers Are Injured

ZEPHYR HILL, Fla., Dec. 19.—(AP)—A Seaboard Air Line passenger train, the Sunbeam, and an Atlantic Coast Line freight train collided at a right angle crossing near here early today, killing the Sunbeam's engineer and injuring 10 of the passengers and crew.

Engineer Benjamin J. Green, about 50, of Tampa, Fla., was killed in his cab and Porter Isaac George, also of Tampa, was injured.

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DEFENSE PROGRAM AIDS TEXTILE BELT

Work Reaches New Peak And Many Mills Are Adding Third Shift

CHARLOTTE, Dec. 19.—(AP)—Spindle and loom sang a song of growing hope and optimism throughout the textile belt of the Carolinas today as national defense orders pumped new life into the veins of this region's long-ailing major industry.

Operations reached a peak not attained in years except perhaps for a short-lived spurt in 1937. More and more mills were adding a third shift, a procedure that was anathema to some leaders of the industry when the main problem was to curb overproduction. Here and there plants that had been idle for months were reopening for business.

And since the manufacture of textiles are expected to include some known as Laval's political enemies. Petain, it was said, would announce the changes in a radio speech to the nation, probably Saturday. Further cabinet meetings are to be held Friday and Saturday.

U. S. Planning To Improve Morals Near Army Camps

WASHINGTON, Dec. 19.—(AP)—Three government agencies joined forces today in a move to improve "moral conditions" and curb probering in the vicinity of certain army camps.

Specifically criticizing conditions at towns near Fort Benning, Ga., Secretary Stimson announced he would name a community service committee to cope with all problems affecting the army's morale and general welfare.

Churchill Warns Britain Against German Invasion

LONDON, Dec. 19.—(AP)—Winston Churchill gave this pre-Christmas warning to the British nation today: "Watch from hour to hour the danger and menace" of German invasion.

"It would be a disaster if anyone supposed that the danger, the supreme danger, the mortal danger, gets, are passed," he declared to the House of Commons, recessing for these wartime holidays.

War Interpretive

BY KIRKE L. SIMPSON Amid a hubbub of predictions on both sides of the Atlantic that the Nazis will launch a gigantic attack on England within months, Prime Minister Churchill sounded a significant note in parliament.

He made it abundantly clear that Britain is being geared for an offensive of her own in 1941; not merely for defense. He radiated supreme confidence in England's ability to withstand any blow Germany may strike by land, sea or air, and to hit back effectively.

A still "half armed" Britain would become a "well armed nation" in 1941 become well-armed, with the help of America's "great supplies," and to detail the British conquest of the Italian armies of Egypt.

"The British army," he said, "has at last had an opportunity of showing its quality."

The year 1941, he predicted, will see British troops in action "in other theaters on terms of moderate equality in numbers and in equipment, if not in defense of the British Isles themselves."

Churchill's warning was not the first of an invasion before spring; his minister for aircraft production, Lord Beaverbrook, and others have foreshadowed it.

WEATHER

FORECAST North Carolina: Rain, warmer on the coast Friday; Saturday cloudy, rain along the coast. (By U. S. Weather Bureau) (Meteorological data for the 24 hours ending 3:70 p. m. yesterday.)

Temperature 1:30 a. m. 40; 7:30 a. m. 28; 1:30 p. m. 37; 7:30 p. m. 54; maximum 54; minimum 37; mean 46; normal 48. Humidity 1:30 a. m. 74; 7:30 a. m. 82; 1:30 p. m. 70; 7:30 p. m. 74. Precipitation Total for 24 hours, ending 7:30 p. m. 0.00 inches. Total since first of the month 0.48 inches. Tides For Today (From Tide Tables published by U. S. Coast and Geodetic Survey) High Low Wilmington 1:34a 8:43a 2:32p 9:35p Masonboro Inlet 1:34a 8:32a 2:32p 9:35p Sunrise 7:13a; sunset 5:06p; moonrise 11:17p; moonset 11:14a. River stage at Fayetteville, N. C., at 8 a. m., Dec. 18, 11.5 feet. (Continued on Page Seven; Col. 5)

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