

Jap Apology For Bombing Is Accepted

INCIDENT CLOSED Welles Announces Surprise Decision Following Conference With President

WASHINGTON, July 31.—(AP)—Sumner Welles, acting secretary of state, announced tonight the United States had accepted official apologies of the Japanese government on the bombing of the U.S.S. Tutuila at Chungking, China, and that the incident was regarded as closed.

Welles made the announcement after consultation with President Roosevelt. The official apologies of the Japanese government, together with an offer to pay indemnities for the bombing of the gunboat and to take measures to prevent such incidents in the future, were made late today by Admiral Kichisaburo Nomura, Japanese ambassador.

Expressed Regret In answer to queries concerning the ambassador's visit, Welles said the envoy had called on official instructions and had expressed the regret of the Japanese government.

He added that the Japanese government viewed the incident as entirely accidental. The Tokyo government, Welles said, has informed the United States of concrete and detailed measures which it has taken to prevent a recurrence of such incidents.

In addition, Welles said, Japan offers to pay indemnities in full for any damage as soon as the necessary investigations have been completed.

As the ambassador left the state department, after conferring ten minutes with Welles, he told newspapermen he was making every effort to improve relations between the United States and Japan.

"I'm doing my best," he said, "to iron out difficulties and maintain good relations between your country and my country."

Earlier, Japanese officials at Tokyo had hurriedly expressed regrets but, until tonight, the United States government had taken the position that the incident was not closed.

The importance which had been attached to the bombing was emphasized by Welles' disclosure that he had summoned the Japanese envoy to the state department yesterday and at the same time instructed the American ambassador in Tokyo to make representations.

Japs Hurry Apology TOKYO, July 31.—The highest officials of Japan's foreign ministry east side diplomatic routine today to make a full and hurried apology to the United States for the Chungking bombing of the little American submarine Tutuila—even before such an apology had been formally demanded.

U. S. Ambassador Joseph C. Grew (Continued on Page Two; Col. 1)

Senator Reynolds Renews Demand For Immediate Airways Hearing

By HOWARD SUTTLE Washington Bureau WASHINGTON, July 30.—Chargé d'affaires in London, Sir G. G. Balfour, today announced that the British government had agreed to a hearing on the proposed extension of the Atlantic coast defense cities to include Atlantic City, Norfolk, Elizabeth City, Wilmington, New Bern, Myrtle Beach, Georgetown, Charleston and Nassau, in the British Bahamas.

The acting CAB chairman about ten days ago notified Senator Reynolds that the board had declined to set a hearing date on the petition of Canadian Colonial for temporary permit to serve the proposed route, on grounds that to set a special hearing on a request for a temporary license would be "unfair" to other lines with applications on file to serve the Atlantic coast defense cities not now receiving airmail and passenger service.

In support of his contention that Canadian Colonial is entitled to primary consideration in the fight between lines to obtain the permit, the senator charged that Eastern airlines, National airlines and a proposed Seaboard airlines had not become interested in such a route until the former had filed an application on July 1, 1940.

He pointed out that leaders among the citizens of the Atlantic coast cities seeking service had, about nine years ago, organized and approached Eastern airlines in an attempt to obtain service. The organization later became known as the Atlantic Coast Cities Air Service Association,

Finn Port Bombed By British

Admiralty Announces Policy of Attacking Germans Ever Found

LONDON, July 31.—(AP)—The British Admiralty announced today that it would carry out the government's policy of striking at the Germans wherever they are found and preparing the way for passage of British supplies to Russia.

The RAF simultaneously renewed its offensive against Germany and German-occupied territory on the continent after a several days' lull caused by bad weather.

The Arctic raids were made Wednesday. Fleet bombers from an aircraft carrier—which must be accompanied by a protecting flotilla—concentrated on harbor works at Petsamo as well as the Norwegian port of Kirkenes, the Admiralty announced today.

At Kirkenes, where especially heavy resistance was met, the naval bombers scored two hits on the 1,460-ton German warship Bremse, before the war a gunnery training vessel, according to an Admiralty communiqué. At least four supply ships were hit, the Admiralty said.

The British acknowledged that 16 of these naval aircraft were lost in the two attacks and said that four German planes were shot down. The Germans announced that 40 British naval planes launched the attack, and that 28 were destroyed.

The Finnish legation in London remained silent, but "representations" were looked for. It was reorganized in informed quarters that the attack may stiffen the Finnish government's attitude toward Britain and force it to follow German orders and ask for the recall of the British minister in Helsinki.

The RAF raids on the continent were resumed Wednesday with an attack on Heligoland Bight, off the German northwest coast, continued through the night with attacks on the Aachen and Cologne regions of western Germany and on Boulogne, in German-occupied France, and resumed again this afternoon as bombers and fighters struck out for the French coast.

German shipping between Boulogne and Calais was reported attacked, in addition to land targets.

500 Canadian Soldiers Wreck Amusement Center TRURO, N. S., July 31.—(AP)—Five hundred angry Canadian soldiers from Debert military camp charged through a cordon of 50 military police tonight and tore an amusement show apart because a soldier had been wounded in a fight.

Booths and games were wrecked, trucks turned over and a merry-go-round smashed in the riot. A strong guard kept the troops away from the ferris wheel—the only piece of show property which remained intact.

headed by Mayor Henry W. Lockwood, of Charleston. These cities, he said, cooperated in "fast expenditures in the construction of lateral airports predicated upon the specific promise of the government and Eastern airlines that they would, at an early date, be the recipient of a trunk line air system through that territory." This promise, he said, was broken.

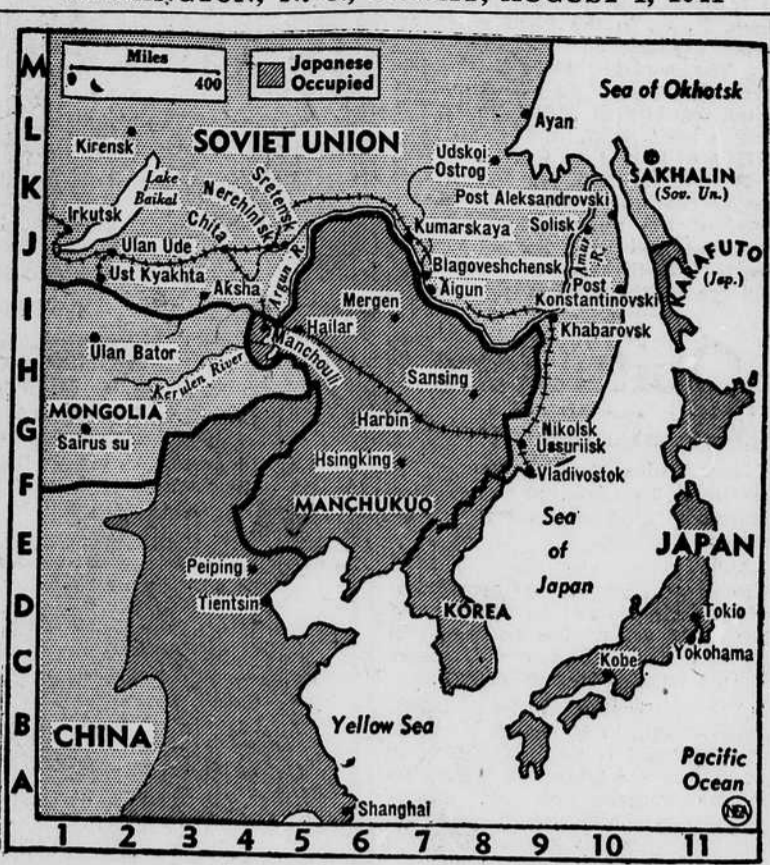
(Continued on Page Two; Col. 2)

CITY'S MANAGER TO ARRIVE SOON James Wallace Expected Here This Week-End; Takes Office Monday

By RICHARD L. TURNER WASHINGTON, July 31.—(AP)—A super-board to direct America's economic offensive against the Axis was established today by President Roosevelt.

At its head, he placed Vice-President Wallace, long a student of economic strategy and of vitally affected affairs of the Latin American nations, and to its membership he named the Secretary of State, Treasury, Agriculture and Commerce and the Attorney General.

An accompanying executive order gave the new agency a long list of formal duties and responsibilities. In reliable quarters, it was learned, meanwhile, that its activities would include such things as: Handling the frozen assets of the Axis powers, keeping a close watch on 1,800 firms in Latin America recently blacklisted as over-friendly to Germany or Italy, watching ex-



JAPAN'S NEXT THRUST?—Recent dispatches say Japan may try a push into the rich section of Siberia north of Nippon's puppet state, Manchukuo. Map shows principal cities of the area which Japan might attack.

City's HRO Named Model For Southeastern States

Designation of the Wilmington homes registration office as a model for homes registration office directors and chairmen in the southeastern states was announced yesterday by Sigurd Nylander, Albany, Ga., field advisor for the division of defense housing coordination, office of emergency management.

That the Wilmington homes registration office has been selected as a model for the southeastern states was announced in a letter from Mr. Nylander to Lieut. J. E. Treadway, director of the local HRO.

Established May 15, the Wilmington HRO is credited with having maintained a reasonable rent scale and securing accommodations for many who came to the city for work on emergency and related projects.

The letter also stated that directors from home registration offices at Macon, Columbus, and Albany will visit the city shortly to observe operation of the Wilmington HRO.

Cities from which the HRO directors are coming are experiencing shortages of housing. At Macon is located Camp Wheeler, at Columbus is located Fort Benning and at Albany is an advanced flying school.

BY FRANK L. MARTIN, JR. SAIGON, French Indo-China, July 31.—(AP)—A fully-equipped Japanese army of crack troops, obviously ready for action and taking nothing for granted, formally occupied Saigon today and with smart precision took up strategic positions.

It was obvious to trained observers that Japan had sent a first-class army to occupy military bases in southern French Indo-China in accordance with the agreement between the Tokyo and Vichy governments.

In equipment, discipline and efficiency the military outfits sent here were recognized as among Japan's best. The army which arrived is a fighting army and not for exhibition. The Japanese army, navy and air force are working together and proceeding in a serious and business-like manner, apparently not taking it for granted that there would be no opposition.

The Japanese are not depending upon local food, housing and transportation. They brought their own motor trucks, gasoline, foodstuffs, tents and a wide variety of other equipment.

At all points along the 500-mile stretch of Indo-China's southeast coast from Tourane down to Saigon the Japanese occupation troops seem prepared to go into action if necessary.

A Japanese destroyer is berthed 50 yards from the Majestic hotel, where Japanese army officers are maintaining their headquarters. The commander of the Japanese air force in Indo-China is expected shortly with the first squadron of bombers.

The Japanese officers seem to be leaning over backwards, at least for the present, to establish themselves as well-disciplined military folk. Similarly, Frenchmen called upon to cooperate with the occupiers do so with few words. Those evacuating homes on 24 hours' notice get out without open protest.

The private and business life of Americans and Britons so far has remained unaffected. But already a Japanese civil army of business men is buying all available cotton for quick delivery to Japan and also is negotiating for rubber, minerals and other products in this area.

SEVEN RED DIVISIONS DESTROYED IN NORTH SAYS BERLIN COMMAND

RUSSIANS RETALIATE Moscow Insists Smolensk Still in Russian Hands; Enemy Falls Back

(By The Associated Press) MOSCOW, Friday, Aug. 1.—Strong Red army counter-attacks have hurled the German invaders back with heavy losses in the bitterly contested Smolensk approach to Moscow, the Soviet Information bureau reported today.

In an enthusiastic communique, it said, "specially stubborn fighting developed in the Smolensk direction, where our troops by counter-attacks threw back the enemy with heavy losses."

"We captured prisoners and booty. Our air force, cooperating with land troops, dealt blows to enemy mechanized units and infantry."

This latest counter-thrust came, according to private Russian advices, after the Soviet forces had staged off 42 gigantic German attacks in the Smolensk sector since July 16, always retaining control of the key city which the Germans claimed more than two weeks ago had fallen.

Elsewhere along the front, the 40th day of the war found Russian troops still fighting the Germans in the same familiar sectors, the Soviet communique said. These were around Porkhov and Novorzhev, roughly 150 to 200 miles southwest of Leningrad; and Zhitomir, the western approach to the Ukrainian capital of Kiev.

Harry L. Hopkins, representing President Roosevelt, last night talked for two hours with Premier Joseph Stalin at the Kremlin in their discussion of Soviet needs of American supplies and equipment to resist Germany. Hopkins also saw Commissioner for Foreign Affairs Vyacheslav Molotov.

Nazi Air Raid A few hours after Hopkins' second talk with Stalin, German bombers again tried to attack the capital as they did the previous night. Only one or two broke through to start several small fires among homes, a communique said, but these fires were put out quickly and no military objectives were hit.

Besides supporting the Smolensk counter-offensive, the Red air force was credited with downing 15 German planes the previous day—Wednesday—at a cost of eight Russian craft, destroying 12 more on airfields deep in the German rear, and with a dive-bombing attack which sank one German patrol boat and heavily damaged a second in the Baltic Sea.

On the basis of these reports of general successes, Russian informants began to speak of the war as developing into a campaign of attrition which they predicted would break the strength and hearts of the invading Nazis.

Soviet authorities said the front still was not stabilized in the World (Continued on Page Three; Col. 3)

Russians Reaching Offensive

3,000,000 Reservists Being Equipped for Gigantic Counter Assault

By DREW MIDDLETON LONDON, July 31.—(AP)—The Red command is preparing a counter-offensive of more than 3,000,000 Russian troops to begin within two weeks if by then it is deemed that the German invaders have expended their reserves, Soviet military informants declared here today.

Russian reservists, it was said, are being assembled and completely equipped for this prospective push.

The thrust, if it comes, will be headed by great masses of tanks and armored cars covered by fighter and bomber aircraft, it was added, but it was indicated that this would be the only similarity with the German advance into Russia.

Red tanks, it was explained, would be kept in the closest contact with infantry and cavalry—to this to prevent the Germans from repeating the Soviet maneuver of yielding to tanks and then closing in behind.

A Russian source claimed that German morale already was shaken. Smiling broadly, he added: "In our propaganda to the German troops we are showing (Continued on Page Two; Col. 3)

'WASTE' CHARGES HURLED IN DEBATE Administration Accused of Extravagance as House Begins Tax Bill Study

WASHINGTON, July 31.—(AP)—Charges of "New Deal prodigality and waste" and demands for reductions in non-defense expenditures marked nearly five hours of desultory House debate today on the new \$3,529,200,000 tax bill.

At times only a dozen representatives were on the floor, and when the discussion touched on appropriations, Rep. Cooper (D-Tenn.) declared that the time to talk about expenditures was when appropriations bills were up, not (Continued on Page Three; Col. 1)

Gasoline Service Stations Will Close 12 Hours Nightly Beginning August 3

WASHINGTON, July 31.—(AP)—A night "blackout" for 100,000 gasoline service stations from Maine to Florida was proclaimed today by Secretary of Interior Ickes, effective Sunday, August 3, to meet the predicted petroleum shortage in the East.

Stations in the Atlantic Seaboard states would be closed from 7 p. m. to 7 a. m., seven days a week, under this action, until the oil emergency abates or other curtailment methods are adopted.

This was the first step toward compulsory restrictions on the use of motor fuel, and Ickes, the defense petroleum coordinator, warned that other measures, including possible use of ration cards, might be necessary "unless this first action achieves results."

The coordinator expressed hope, however, that the "blackout" would emphasize to the public "the seriousness of the situation," that voluntary curtailment in the use of motor vehicles would obviate any need for more rigid compulsory measures.

Up to Industry Responsibility for effectiveness of the service station closing was placed squarely up to the industry. Suppliers of gasoline were requested to "take such action, including the refusal to make further deliveries of motor fuel, as may be appropriate in cases of continued and deliberate failure on the part of any re-seller to observe the recommendation."

While expressing doubt that the government had the power under existing statutes to prosecute violators, Ickes voiced confidence that the petroleum industry and the individual service station operators would cooperate fully. He pointed out that the industry marketing committee for the Atlantic Seaboard district itself had recommended that the "dispensing of gasoline at all retail outlets in district one (Atlantic Seaboard) be confined to the hours of 7 a. m. to 7 p. m. seven days a week."

LENINGRAD MENACED Nazis Predict Early Siege of Old Czarist Capital; Finns Are Aiding

By The Associated Press BERLIN, July 31.—The pressure of German and Finnish armies on Leningrad, second city of Russia, increased by the hour tonight, and speculation arose as to whether the city soon will be placed under actual siege.

Retrieved German military leaders made no specific claims and indulged in no predictions as to the fate of Leningrad. But military dispatches reported that seven additional Soviet divisions had been destroyed by the Germans in the northern sector, and news that the Finns were making steady corollary progress gave the impression that the two-pronged advance on Leningrad was moving toward a climatic point.

The German armies are moving in from the south; in Estonia, the high command said today, they threw back the Russians in the latest operations. The Finns are descending on Leningrad from the north.

Reported destruction of the Russian divisions was described by German military correspondents as "successful culmination of a German encirclement movement."

In addition to thousands of prisoners, the Germans said they captured here 50 cannon, 68 trucks, 7 anti-aircraft batteries, 23 anti-tank guns and some tanks.

In addition, there were increasing reports that larger and smaller Red army units were being cut off from the central Leningrad defense zone.

Finns Participate Dispatches from the region where the Finns alone or Finns and Germans are operating stressed the difficulties of the terrain and told of some instances in which the retreating Russians drenched forests with naphtha, then ignited them with artillery shells to form blazing barriers to the German-Finnish advance.

It was asserted, however, that the natural obstacles of the countryside present an even greater problem to the Russians than to their attackers. The Russians, it was explained, are falling back and must move their heavy equipment through roadless forests and rough country if they want to save it; the Finns, on the other hand, have time to bring up their machines of war.

The problems in this theater of war are new to Soviet strategists, it was contended, since the fighting is in the summer, while almost all the Russian campaign against the Finns was conducted in the winter of 1939-40, when heavy equip-

area through which the "blackout" would be effective as follows: Throughout the states of Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New Jersey, Delaware, Maryland, North Carolina, South Carolina, Georgia, the Peninsula of Florida, the District of Columbia, and all marketing areas in or east of the Appalachian mountains in the states of New York, Pennsylvania, Virginia and West Virginia, and such additional marketing areas in said states where any substantial part of the motor fuel supplied is either produced in any of said states, or shipped into such areas from any point east of such areas."

The coordinator's office said the exact line between the areas to close at night and those to operate (Continued on Page Two; Col. 7)

'Too Hot for Crime', Claim Local Police

Police last night unofficially credited heat for the past few days with a reduction in crime. "It's too hot for crime," one officer said, mopping his perspiration-beaded brow.

That complaints received by the police department and the number of charges filed has reduced was clearly evident. For the past two nights complaints received by police have been at a minimum. Yesterday, five traffic violation cases were filed in recorder's court and two more were to be filed today from offenses developing in the day's business.

WEATHER FORECAST North Carolina: Partly cloudy and warm with scattered thundershowers Friday and Saturday.

(By U. S. Weather Bureau) Meteorological data for the 24 hours ending 7:30 p. m. yesterday: Temperature: 1:30 a. m., 51; 7:30 a. m., 58; 1:30 p. m., 70; 7:30 p. m., 86; maximum 94; minimum 50; mean 67; normal 79.

Humidity: 1:30 a. m., 62; 7:30 a. m., 88; 1:30 p. m., 71; 7:30 p. m., 76. Precipitation: Total for the 24 hours ending 7:30 p. m., 0.00 inches. Total since the first of the month, 7.79 inches.

Tides For Today (From Tide Tables published by U. S. Coast and Geodetic Survey): Wilmington: High 3:58a, Low 11:22a. Masonboro Inlet: 4:47p, 8:00a.