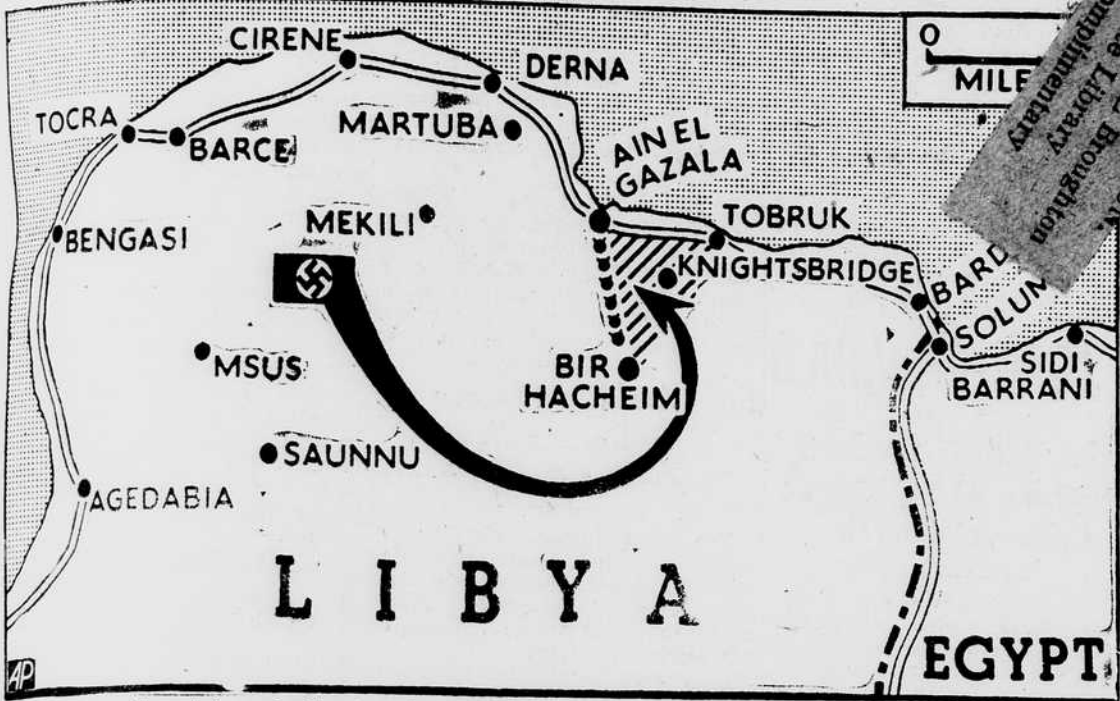


Rommel's Axis Forces Caught In British Trap



Cairo dispatches indicate that German Field Marshal Erwin Rommel's armored Axis forces, which had swept around Bir Hacheim in Libya, have been trapped in a triangle bordered by Ain El Gazala, Tobruk, and Bir Hacheim.

FLEET OF 1,036 BRITISH PLANES RAIN BOMBS ON ESSEN MUNITIONS PLANTS; VIOLENT TANK BATTLE RAGES IN LIBYA

Dwindling Nazi Column Attempts To Split British Fortified Positions

FORCE CUT IN HALF

British Also Suffer Severe Losses In Bitter Battle In Torrid Desert

By EDWARD KENNEDY CAIRO, June 2.—(P)—The Libyan battle of destruction raged on with great violence today around two thin gaps in the desert Ain El Gazala-Bir Hacheim line, with the dwindling ranks of the Axis' African corps lashing out in a supreme effort to split the British fortified positions.

Already having lost some 260 tanks, or half their original striking strength, the sizeable German armored forces still remaining east of the semi-fortified line, has been reorganized and were trying to drive out the British forces stationed between them and the narrow lanes of escape, which are 15 miles apart.

Another body of the Nazi mechanized forces, which for the last 72 hours has moved westward—and rearward through the two gaps, was reported to have pushed to a position 20 miles west of the line, where it was regrouping with the Axis forces previously there.

The eighth army of General Sir Claude Auchinleck, composed of Britons, South Africans, Indians and Free French, had suffered severe losses, too. But it had given more than it had taken in punishment from the three armored and two motorized divisions which German Marshal Erwin Rommel used in his vain attempt to seize Tobruk.

The British said the American "General Grant" tank, armed with a 75-mm. gun firing high explosive and anti-personnel shells, plus a 37-mm. anti-tank weapon and a machine-gun, was being used with great success. This is the U. S. Army's M-3 medium tank, a 28-ton land cruiser now getting its first battle-field test.

It has what it takes in the desert, the British say—fire power capable of knocking out the other fellow's tanks.

"The enemy succeeded in withdrawing many of his tanks and much transport" through two gaps he blasted in British mine fields laid out for 50 miles between coastal Ain El Gazala and the odoriferous waterhole of Bir Hacheim at the southern extremity of the main British positions, Auchinleck said in a communique.

"A large number of his tanks and many motor transport vehicles however, remain on the wrong side of this barrier. These are still being ceaselessly harried and destroyed by our troops vigorously aided by our airforce."

The British commander wired a lengthy review of the battle—the wildest and fiercest ever fought in Africa—to Prime Minister Churchill, who read it to the House of Commons.

Attempted Landing The communique disclosed for the first time that the Germans on the opening night of their offensive May 26 attempted to land a sea borne cooperating force north of Acroma, some 15 miles from Tobruk, but the Royal Navy drove off the flotilla.

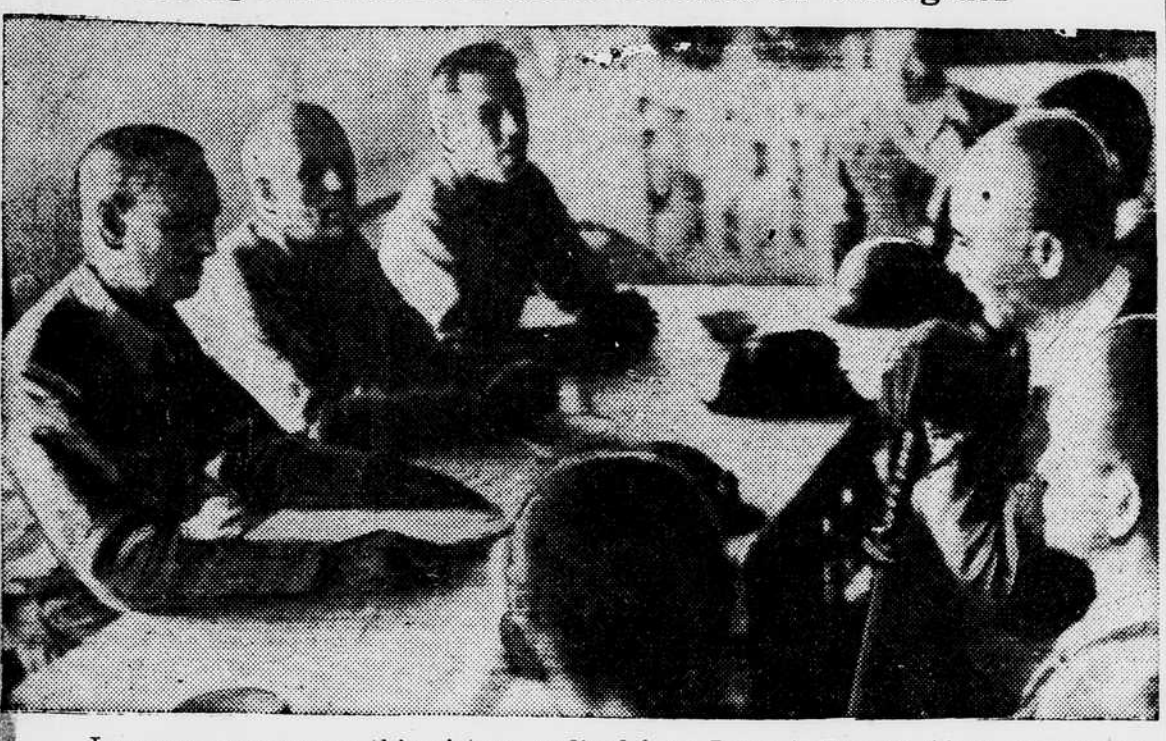
Auchinleck's control over the battlefield, the capture of two of Rommel's largest repair units, and the splendid performance of new British heavy anti-tank guns and the 28-ton U. S. tanks all were factors of great cheer to the Britons.

Control of the battlefield enabled the Eighth army to salvage a large proportion of the damaged vehicles using perhaps the United States service troops who are in Egypt for just such a purpose.

The German repair units which were seized were reported unofficially to have restored at least 300 tanks which otherwise would have fallen to the British.

One thing appeared certain: the Axis force composed of the German 15th and 21st and the Italian 132nd Ariete armored divisions and a German and an Italian motorized division, perhaps 75,000 seasoned veterans in all, had failed to capture Tobruk as Adolf Hitler had ordered, and were paying an enormous price for it.

Writing An End To Historic Defense Of Corregidor



Japanese sources say this picture, radioed from Japan to Buenos Aires, and thence to New York, was taken as Gen. Jonathan Wainwright, left, with papers before him, discussed terms of surrender of U. S. forces on Corregidor with Japanese general, Masaharu Homma, right center, leaning on sword. Homma was reported to have committed hara-kiri previously due to failure of his forces on Bataan. (Passed by censor.) —(NEA Radiophoto)

Thousands Of Tons Of Explosives Dropped On Krupp, Rhein Works

OUTPUT IS CRIPPLED

RAF Planes Swarm Back To Attack In Massive Daylight Raid On Continent

By E. C. DANIEL LONDON, June 2.—(P)—A mighty aerial corps of British bombers and fighter planes, 1,036 of them, cast down fire and explosive with terrible effect upon the German Krupp munitions center of Essen and its war plant environs last night in a second great raid on Germany in 48 hours—an assault that was proclaimed as only a token of what is yet to come from the combined air forces of Britain and the United States.

Thousands of tons of bombs were dropped upon the Krupp and Rhein metal Borsig plants, and it, as would seem obvious from the weight of the attack, the damage caused at Essen were as great as in Saturday night's 1,000-plane raid on Cologne, persons familiar with German production believed that a good sized percentage of the Reich's war industry could now be argued today as crippled.

Again today the RAF sprang back to the assault, going over the channel in great force in one of the biggest daylight aerial offensives of the war.

During the morning there were large-scale sweeps over the Grave-lines and Hardeleer areas of northern France. One German plane was shot down and several damaged.

Attack Troops German troops and gun posts were attacked from low levels. It was the raid on Essen, however, that overshadowed all else and brought cheer to all England.

Giving the House of Commons a preliminary report today on this tremendous attack, Prime Minister Churchill declared that many fires were left, at a total cost of only 35 British bombers, and went on to predict what lies ahead for the Germans.

"I do not wish it to be supposed," he said, "that all our raids in the immediate future will be above this four-figure scale. The methods of attack will be continually varied, according to circumstances.

"On the other hand, these two great night bombing raids (the first was during Saturday night and early Sunday morning) over Cologne mark the introduction of a new phase in the British air offensive against Germany, and they will increase markedly in scale when we are joined, as we soon shall be, by the air force of the United States.

"As the year advances all German cities, harbors and centers of war production will be subjected

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REDS AND NAZIS ARE STALEMATED

Russians Apply 'Kharkov Tactics' In Northwestern Areas

By HENRY C. CASSIDY MOSCOW, June 2.—(P)—The Russian armies, applying "Kharkov tactics" to the deep northwestern areas, attacked sharply today in several sectors with the object of upsetting German offensive plans from this direction.

Maxwell Resigns Revenue Post; Gill Is Named As His Successor

Action Comes As Climax To Exchange With Auditor

RALEIGH, June 2.—(P)—The resignation of Allen J. Maxwell as commissioner of revenue and the appointment of Charles Commissioner Edwin Gill to head the storm-tossed Revenue Department was announced today by Governor Broughton.

The governor's announcement followed close on the heels of one of the bitterest exchanges in state history between Maxwell and the office of state auditor George Ross Fou over the responsibility for the detection of recent shortages of former revenue department employees.

A report prepared by the auditor's office asserted that revenue department records had been kept so badly that in recent years most of the time available for auditing the department had been consumed in getting the records in shape for audit, and Maxwell replied bitterly that the auditor's office was trying to shift the entire responsibility to him.

Maxwell, who has been directly connected with state government since 1899 as chief clerk of the State Senate, chief senate clerk, secretary of the old Corporation Commission, member of the Corporation Commission, and revenue commissioner, will head a new department of tax research after his resignation becomes effective on June 30, the governor said.

In announcing that Gill would succeed to the difficult revenue post, the governor said that assistant parol commissioner Hathaway Cross would succeed Gill and that the parol commission's chief investigator, William D. Dunn Jr., would succeed Cross.

Given Free Hand The governor said that Gill would be given an "absolutely free hand" in the Revenue department and that any personnel changes in the department would be entirely at Gill's discretion.

Maxwell's resignation had been widely predicted since a recent investigation of mismanagement of public funds in the Revenue department and the indictment and conviction in Wake Superior court of several former Revenue employees on embezzlement charges.

However, Governor Broughton reiterated today that while the department "has undergone some unfortunate experiences" recently "nothing in these experiences or exposures reflected in the slightest degree on the integrity or the record of Commissioner Maxwell."

In fact, the governor added, "the long experience and recognized ability of Mr. Maxwell in the field of taxation and his eminent knowledge of economic conditions in North Carolina qualify him admirably as director of the new department of tax research." The new department was authorized by the 1941 general assembly, and seven months ago Maxwell was "given the alternative of accepting reappointment as commissioner of revenue or taking over the duties of the newly-created department."

Capable Official Gill, who has been parol commissioner since 1933, is recognized as a capable administrator, and has won nation-wide recognition for the North Carolina parol system. A native of Laurinburg, he represented Scotland county in the general assembly in 1929 and 1931. He served as private secretary to former Governor O. Max Gardner from 1931 until January 1933.

Governor J. C. B. Ehringhaus appointed him to the newly-created parol commission, successor to the old executive council, in 1933, and he was reappointed by Governor Clyde R. Hoey and by Governor Broughton. He started work with a single office and two assistants and has expanded the

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BITTER FIGHTING RAGES IN CHINA

Desperate Battles Reported In Progress On Three Fronts

CHUNGKING, June 2.—(P)—Fierce fighting raged on three fronts in China today as the Japanese started two new offensives and continued to make progress in the third through the coastal province of Chekiang.

Suddenly assuming the nature of a real threat, a Japanese thrust from Nanchang in Kiangsi province, which adjoins Chekiang railway and at a possible junction with the columns coming from the east. With two claws the Japanese were attempting to pinch off a large piece of eastern China.

Also menacing was the northward Japanese drive from the Canton area in the south China province of Kwangtung. This was following the Canton-Hakow railway, with another column driving through the mountains country east of the railway. (Domei reported the latter column had captured Tsungfa, 50 miles northeast of Canton, and had continued to advance to the north and north-east.)

Along the railway the invaders were reported approaching Hengkong.

Chinese troops resisted stubbornly and inflicted heavy casualties everywhere, but scored their chief successes in the Chekiang theater as they closed in on the elongated flanks of the Japanese and recaptured five towns.

The Chinese communique said these were Showchang, 25 miles northwest of Kinhsua, the provincial capital which they have lost. Yungkang, 35 miles southeast of Kinhsua, and Paishapu and Keng-louchen, points south of Showchang. A spokesman listed Shachichen, north of Showchang, also as having been retaken.

U. S., China Sign Lend-Lease Accord

WASHINGTON, June 2.—(P)—The United States and China signed a lend-lease agreement today providing for continued reciprocal aid in the war against the Axis and laying down the broad principles of a final settlement of lend-lease accounts.

The agreement, which Foreign Minister T. V. Soong signed for China and Secretary of State Hull for the United States, is the same in all substantial respects as the lend-lease agreement concluded with Great Britain last February.

Several senators said the war declaration might be of aid to Russia, and would tend to encourage Turkey to resist any Axis incursion. Senator Austin (R-VT) said: "Of itself it is an act of political warfare, and will be of benefit to the United Nations."

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GO SIGNAL GIVEN FOR WAR HOUSING

PWB Authorizes Construction Of 100,000 Units Of Most Essential Projects

WASHINGTON, June 2.—(P)—More than 100,000 of the most "essential" war housing units now under construction—involving 76 publicly-financed units in 20 states—were given the official go ahead signal by WPB today.

Work on virtually all would otherwise have been stopped because of the "freeze" of supplies of construction lumber, John B. Blandford, Jr., National Housing administrator, reported.

Under the special relief order, WPB will issue an overall authorization permitting contractors to obtain these specific projects to obtain enough lumber to complete them, it was understood. Officials said that only about half of the publicly financed work already started was included in the approved list and the fate of the others already under construction remained uncertain.

In making the list of approved projects public, WPB emphasized that present demand for lumber "greatly exceeds the supply" and that even contractors who receive authorizations to purchase lumber could not expect prompt delivery in every instance.

Jap Solomon Island Bases Are Attacked

ALLIED HEADQUARTERS, Australia, Wednesday, June 3.—(P)—Allied planes bombed Japanese installations at Tulagi in the Solomon island group and started large fires, General MacArthur's headquarters announced today.

Other offensive units bombed and strafed the Japanese airbase at Rabaul, New Britain island, the communique said.

In the attack on Japanese-held Dutch Timor, the Allied airmen chose a new target, the town of Atambora on Timor's north coast near the island's center.

Barracks were demolished and extensive fires left raging. Ten miles south of Atambora another barracks and road transport were taken under fire, the communique said.

One Allied raider failed to return from that operation.

Roosevelt Calls For War Against Balkan Countries

WASHINGTON, June 2.—(P)—President Roosevelt asked Congress to make the list of America's enemies officially complete today by declaring war on the Axis satellite nations Bulgaria, Hungary and Rumania.

As "instruments of Hitler," he said in a special message to Congress, these countries had declared war on the United States. Further, he said, they were engaged in military activities against the United Nations, activities which were about to be broadened.

Therefore, he urged that Congress recognize the existence of

100 More Warships Will Join U. S. Combat Forces This Year

Congress Is Well Pleased With Construction Program

WASHINGTON, June 2.—(P)—The Navy informed congress today that approximately 100 more fighting ships would be put into commission this year, ready to take battle stations on the far flung sea-fronts and to guard the vital shipping lanes between this nation and its troops and Allies.

The progress report on construction of Naval vessels was furnished, in executive session, by Rear Admiral A. H. Van Keuren, chief of the Navy bureau of Ships, to the House Naval committee, and was made public by Chairman Vinson (D-Ga.) with the Admiral's permission.

Vinson described the committee as "well satisfied" with the report. Simultaneously, he announced committee approval of a \$1,100,000,000 measure authorizing additional construction of 500,000 tons of auxiliary vessels, such as tenders and supply ships.

He served notice, too, that he would introduce tomorrow another big measure for a major increase in the number of aircraft carriers, thus carrying out, he said, the Navy's plan to "build and build" that type of ship and obtain an "overwhelming" aerial punch.

The Georgian emphasized that the approximately 100 ships to be commissioned during the next few months had been put through their trial runs and accepted by the Navy through May 31.

The new ships will provide a major increase in this nation's sea strength. In the last official disclosure of its strength on Oct. 27 of last year, the Navy reported 346 fighting ships in service with 347 buildups.

That type would include battlecruisers, cruisers, carriers, destroyers and submarines. Since then, it has reported the loss of 38 naval vessels of which 20 were of the auxiliary type and the other 18 fighting ships.

However, the reported launches in the last seven months have

WEATHER

FORECAST North Carolina: Continued rather warm Wednesday with a few scattered showers in the interior. South Carolina: Continued rather warm Wednesday, possibly a few scattered showers. (EASTERN STANDARD TIME) (By U. S. Weather Bureau) (Meteorological data for the 24 hours ending 7:30 p. m. yesterday.)

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39 CREWMEN LOST IN GULF SINKING

Cargo Vessel Is Cut In Two By Blasts From Two Submarines

A GULF PORT, June 2.—(P)—The sinking of a medium sized United States cargo vessel in the Gulf of Mexico was confirmed today with disclosure the ship was torpedoed by two Axis submarines May 29 and went down like a rock causing death of 39 of its 42-man crew.

Two semi-conscious, temporarily blinded survivors gave enough detail in a Port Arthur, Tex., hospital where they were taken, told of the ship's fate and their own miraculous rescue after lying helpless, blinded and without food or water on a tiny raft in the Gulf for a week.

Three other survivors were picked up as well, and taken to a Mexican port where two died. The survivors were John G. Traubal of Gibbstown, N. J., and Rolf Helland and second assistant engineer Joseph Shackleford of Severn, Va., taken to a Mexican port.

Only a few of the crew got clear, the survivors said, when the ship, cut in two by torpedoes from opposite sides, folded up "like an accordion," and plunged to the bottom in seconds spewing oil into the water, a heavy fuel oil that dragged the men down like quicksand.

Weighted with the congealing oil that rendered them virtually helpless, Traubal and Helland reached a small raft with one other man, who was so oil coated they never found out who he was. He left later, when the raft was threatened with submersion, to seek another haven. What happened to him, Traubal and Helland didn't know.

When the sun arose the next morning it began baking the oil into the hair, eyes, ears and bodies of the two men, and they soon lost consciousness, sealed in an almost cast-iron crust. They were picked up by a Mexican boat.

Six Vessels Of Russia Bound Convoy Are Sunk

LONDON, June 2.—(P)—Battered for five days and nights in the strange, unending light of the Arctic's midnight sun by U-boats and at least 100 German planes, a big U. S.-British supply convoy was disclosed today to have reached a Russian port with an indicated loss of but half a dozen ships.

The result was announced by the Admiralty in a communique which gave a graphic picture of the perils of the Arctic convoy route to Murmansk and Archangel, where there never, at this time of year, is any protecting darkness and where the breaking of

(Continued on Page Three; Col. 3)