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West Coast Attack Now Less Likely

Secretary Stimson Says Japanese Fleet Too Far-Scattered

ALEUTIAN NEWS SLOW

Distance And Bad Weather Coupled With Inadequate Communication Blamed

WASHINGTON, June 18. (AP)—The danger of an immediate Japanese attack on the West coast of the United States has greatly diminished, Secretary of War Stimson said today, because American successes scattered the enemy fleet "all over the Pacific" and sent it "hustling away as fast as it could in the opposite direction."

He was speaking primarily of the struggle off Midway, in which American air power wreaked such havoc on the Japanese navy.

Recalling that Stimson had previously said an attack on the West coast might be expected, reporters asked him whether recent dvelopments had diminished that threat. "Temporarily, I should say the threat was much less," he said. The secretary had little to add to reports of the situation in the Aleutians—a situation which has been obscured by fog and bad weather. Available information indicates, he said, that the Japanese thus far have made only a "very small landing" on the island chain which stretches from Alaska toward Siberia.

All possible information will be made public, Stimson stressed. To illustrate the difficulty of getting a clear picture of a sea-air engagement, even when the fighting is not blurred by unfavorable weather, he spoke of the Midway engagement.

"Inevitably," he said, "when the reports come in there is immense confusion. At Midway, where the weather was clear, the information available gave us a good general picture of the outcome but there was much confusion as to just what ships were hit.

"I spent three or four days studying the Army and Navy reports as they came in, and didn't know at the end just what ships were hit." 5

—V—

CIVIL RIGHTS BILL PASSED BY HOUSE

Will Give Financial Relief To Men Called Into Armed Forces

WASHINGTON, June 18— (AP) —Legislation designed to protect the civil rights of service men while they are in the armed forces was passed unanimously today by the House and sent to the Senate.

A highly technical measure, it won House approval after brief debate and an explanation by Representative Sparkman (D-Ala) that its primary purpose was to "give relief to the boy who is called into service" and to afford him a "reasonable time" in which to adjust his financial position after his return to civilian life.

The bill provides for suspension, generally in the discretion of a court, of many civil processes normally applicable in cases involving installment payments, foreclosures, rentals and other financial obligations.

Under its provisions the government guarantees the payment of premiums on private life insurance policies purchased by a service man up to $10,000, giving the pur-

(Continued on Pape Nine; Col. 5)

—V—

WEATHER

FORECAST:
NORTH AND SOUTH CAROLINA — Continued warm Friday.

(EASTERN STANDARD TIME)
Meteorological data for the 24 hours ending 7:30 p. m. yesterday):
(By U. S. Weather Bureau)
Temperature:
7:30 a. m. 74; 7:30 a. m. 73; 1:30 p. m. 78; 7:30 p. m. 78; maximum 88; minimum 73; mean 80; normal 77.
Humidity:
7:30 a. m. 89; 7:30 a. m. 64; 1:30 p. m. 58; 7:30 p. m. 62.
Precipitation:
Total for the 24 hours ending 7:30 a. m., 0.00 inches; total since the first day of the month, 1.14 inches.
TIDES FOR TODAY:
(From the Tide Tables published by U. S. Coast and Geodetic Survey):

	High	Low
Wilmington	1:15a. 1:48p.	8:41a. 8:19p.
Masonboro Inlet	11:17a. 11:25p.	5:16a. 5:26p

Sunrise 5:00a; sunset 7:26p; moonrise 1:27a; moonset 11:24p.

(Continued on Page Two; Col. 3)

"In The Army Now"

With a leave of absence from the United States Supreme Court, Associate Justice Frank Murphy, now a lieutenant colonel in the Army, is in training in the Army Infantry school at Fort Benning, Ga.

HOUSE CONSIDERS CORPORATE TAXES

May Develop Post-War Refund On Excess Profits

WASHINGTON, June 18.— (AP) — The House Ways and Means committee agreed in principle today on post-war refund of part of corporate taxes at a flat 94 per cent rate under provisions of the pending tax bill.

The rate of the refund and the uses to which it might be put were left for later determination.

Informed members said the committee appeared presently to favor a refund of 14 per cent which would have the long-range effect of reducing the proposed excess profits rate to 80 per cent.

A question to be considered is whether the rebate should be used for conversion of war plants to peace-time production, or whether it might be diverted to salaries, bonuses or reserves.

The Treasury has suggested that the income from the refunds, which might be in the form of securities which would be non-negotiable until after the war, be not taxable, however sentiment against this idea was reported strong in the committee.

It was estimated that a 14 per cent refund would affect about 36,000 corporations and would mean the return of about $954,000,000 annually.

Thus, although the bill the committee has agreed upon tentatively would raise about $6,640,000,000,

(Continued on Page Three; Col. 1)

Tobruk Back In State Of Siege Again

Romell Expected To Drive On Only Remaining Road Open To The British

RICH PRIZE AT STAKE

Libyan Port Of Vital Importance To Both Sides In Battle

CAIRO, June 18. — (AP) — Split by 25 days of hammering by powerful Axis armored forces, the British Eighth army withdrew to new positions today, one section taking up fortified places near the Egyptian border while the other fell back into the defensive perimeter of Tobruk to defend that Libyan coastal stronghold against violent siege.

Only the shore road remained as a tenuous link between Tobruk and the British main body.

With that exception the situation nearly duplicated that which existed during almost eight months of last year when Tobruk, holding firm on the flank against every assault, stood as a drag on a drive into Egypt, 80 miles to the east, by Nazi troops which had by-passed the port.

Informed persons expressed the belief that Nazi Marshal Erwin Rommel would try quickly to cut the coastal road as a preliminary to a grand assault on the fortress.

The Nile valley and the Middle East appeared to be in no immediate danger, however.

Although British tank strength is admittedly less than Rommel's, no big Allied formations have been trapped. Withdrawals have been

(Continued on Page Two; Col. 4)

—V—

ARMY MANEUVERS TO START JULY 13

Second "Carolina's Battle" To Test Strength Of Nation's Forces

By HOWARD SUTTLE

WASHINGTON, June 18 — The second "battle of the Carolinas" —maneuvers in which Uncle Sam's rapidly strengthening fighting forces will test their skill in simulated warfare—will begin July 13, the War Department announced here today.

The First and Second Army Corps will participate in the "battle" slated to continue until October 11. Modern warfare and all its ramifications will be stressed in activity as nearly as possible to actual combat with the enemy. The Army announced plans for training in desert fighting, jungle fighting, air-ground operations, operations by small task forces and night maneuvers.

The schedule provides that the Second Army Corps move into ac-

(Continued on Page Two; Col. 4)

"It"

Facing with unperturbed calm an 18 months term in a federal prison following her conviction in Los Angeles of conspiring to send defense information to Germany, Mrs. Frances Goellert Gros declared, "I can take it" as she was sentenced. Federal Judge Benjamin Harrison denied her plea for probation. Mrs. Gros was found guilty of conspiring with her husband, Dr. Hans Helmut Gros, to send vital data to the Nazis.

N. C. DRAFT BOARD REVIEWS 3A STATUS

Dependency Payments May Not Make Wife Self Supporting

RALEIGH, June 18.— (AP) —Under present selective service policies, married men are being inducted into the Army, state selective service headquarters reported today.

Local draft boards have been instructed, state headquarters reported, not to alter their classification policies in anticipation of new regulations which may follow the passage of the new allotments and allowances bill.

Bona fide 3-A men are not to be placed in class I-A on the theory that the allotments and allowances bill will provide for their dependents.

"The present deferment policy provides that men should not be classified in 3-A simply because they have wives. The thing to consider is whether the wife is a dependant of the registrant. If so, he is entitled to be in 3-A," a selective service official said.

"It also provides that simply because a man's wife works or is capable of working, she is not automatically excluded as a dependent. The thing to consider is her income and her prospect of becoming and continuing self-supporting.

"Under the policy in this state

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—V—

City Air Raid Alarm To Be Series Blasts

Intermittent blasts by five strategically-located sirens will be Wilmington's standard air raid warning, the county defense council announced last night.

The regulation signal is based on results of the June 12 tests.

Reports from scattered police cars and 63 raid wardens stationed throughout the city showed that the steady sound —five seconds on and three seconds off—was far more effective than the warbling noise. "In fact," declared an official, "it exceeded our expectations."

The four city-purchased alarms, which are mounted on poles at fire stations, were heard in several suburbs including East Wilmington and Forest Hills but were ineffective in the southern end of town.

To protect the latter section, an additional siren will be set up at Third and Willard streets as soon as construction of the fire station is completed and the building is manned.

Nazi Waves Thrown Back By Russians

Defenders Of Sevastopol Steadily Repulsing German Attacks

INFANTRY HOLDS FAST

1,500 Casualties Reported Inflicted By Reds At Kharkov

MOSCOW, Friday, June 19. (AP)—The Soviet defenders of Sevastopol continued to hurl back wave after wave of German attacks, the high command announced today as the besieged Crimean naval fortress began its third week of resistance to Germany's mass land offensive.

The midnight communique indicated the fighting showed no signs of slackening and said the German losses were heavy.

"The heroic defenders of Sevastopol are unwaveringly repulsing numerous German attacks," the government said.

In various other sectors it was stated officially fighting continued, but there were no essential changes. On the Kharkov front activity was limited by thunderstorms which drenched the battlefield where the Russians have stood firm against a nine-day German offensive.

Sevastopol admittedly was hard pressed by the battering land and air assaults which started June 5, but according to official sources in Moscow the lines had not been penetrated.

(The German high command asserted its troops were winning bitterly defended ground at the Soviet

(Continued on Page Two; Col. 7)

—V—

CASUALTY BILL HELD BY SENATE

Strong Opposition Shown On Payments To Civilians

WASHINGTON, June 18— (AP) — Unexpectedly strong opposition today delayed a Senate vote on a measure providing benefit payments to civilians seriously injured by enemy action or in practice blackouts.

With sponsors urging approval of the principle of government liability for civilians as well as miltary personnel in wartime, the Senate voted down, 34 to 26, a proposal by Senator Taft (R-Ohio) to exclude civilian defense workers from benefits.

But Taft's compalint that the bill contemplated payments to ordinary civilians who might be struck by an automobile or suffer other injuries in a practice blackout prompted Senators Norris (Ind-Neb), McKellar (D-Tenn) and George (D-Ga) to warn against excessive expenditures.

The measure calls for monthly cash benefits ranging from $10 to $85 for citizens over 15 years of age who suffered one-third total permanent disability in enemy raids or practice defense maneuvers. Similar payments would go to dependents of persons killed.

President Roosevelt would be authorized to extend operations of the act to cover off-shore territories and military establishments elsewhere in the world and to make benefits retroactive to December 7. Senator Pepper (D-Fla),

(Continued on Page Two; Col. 1)

Wilhelmina Arrives In Canadian Capitol

OTTAWA, June 18—(AP)— Queen Wilhelmina of the Netherlands, by air for the first time in Royal defiance of wartime hazards, arrived here today from Britain for a visit with her daughter and two grandchlidren and a call upon President and Mrs. Roosevelt.

It was more as a mother and grandmother than as the living symbol of her empire's resistance to the Axis that Wilhelmina warmly embraced Princess Juliana and Juliana's two girls, Beatrix, 4, and Irene, 2, who met her at Rockcliffe airport.

The 61-year-old Wilhelmina, who is the longest ruling monarch alive, had not seen her daughter and the little Princesses in more than two years—not since she insisted that Juliana come to Canada with them to safeguard the succession to the throne.

Queen Wilhelmina looked very well.

After the family greetings were

(Continued on Page Three; Col. 2)

QUEEN WILHELMINA

PORT MORESBY BOMBED AGAIN

Japs Lose Two Bombers, One Fighter; Two Allied Planes Are Lost

ALLIED HEADQUARTERS, AUSTRALIA, Friday, June 19—(AP) —Eighteen bombers made an unsuccessful attack on Port Moresby, New Guinea, yesterday—the second in two days—General MacArthur's headquarters announced today.

Allied fighter planes shot down one Zero fighter plane and two bombers, a headquarters communique said.

Two Allied planes were lost in combat.

The communique said:

"Port Moresby: Eighteen heavy bombers with a fighter escort unsuccessfully attacked the harbor area, damaging one small ship. Our interceptors destroyed one Zero fighter and two bombers. We lost two planes in combat." 5

—V—

Volunteer Forest Fire Fighting Corps Formed

WASHINGTON, June 18.— (AP) —A volunteer forest fire fighters service is being organized by the office of civilian defense, it was announced today.

Director James M. Landis said the volunteer organizations developed through state and local defense councils would function through cooperation with established forest protection agencies.

—V—

Two Nazi Submarines Sink Freighter Near South American Coast

BOGOTA, Colombia, June 18. — (AP) — The newspaper La Razon said today that two German submarines appeared off Point Pajaro last night and sank the 1,400-ton Dutch freighter Flora.

Colombian vessels rescued 30 members of the crew and six passengers, and recovered the body of the first engineer, the paper reported.

The survivors were quoted as saying that the submarines fired 63 shots at the ship, which replied with six.

The scene of the reported attack is a short distance northeast of Riohacha, off a northern tip of Colombia jutting into the Saribbean sea.

Wallace Resignation Not Delivered To City Council, Says Bellamy

In answer to a question last night, Mayor Hargrove Bellamy declared the resignation of City Manager James G. Wallace had not been presented to the city council.

There have been many rumors that Mr. Wallace's services would not be available after the current fiscal year. Mr. Bellamy said he had been given to understand this is the fact, but would not elaborate on his remark.

"You may be sure," said the Mayor to a Star representative, "that if and when Mr. Wallace resigns, the public will immediately be advised of it."

—V—

HOUSE APPROVES NEW NAVAL BILL

8 Billions For Construction; No New Battleships Included

WASHINGTON, June 18.—(AP)—An unprecedented $8,550,000,000 warship construction measure sailed swiftly through the House today in a drive to make the United States fleet stronger by the end of 1946 than the combined navies of all the rest of the world.

The vast program, calling for more than 500 fighting ships in the cruiser - carrier - destroyer category and hundreds of torpedo boats and sub-chasers, was passed and sent to the Senate by a vote of 316 to 0.

It came as the answer of this nation's Naval strategists to the long-debated question of the plane versus the battleship, for the measure's emphasis was placed squarely on floating aerial strength and it omitted any provision for new battleships.

Chairman Vinson (D.-Ga.) of the Naval committee told the House that the value of the carrier had proven "relatively much greater" in modern sea warfare than the battleship.

In his broad outline of the measure's scope, Vinson said the Navy planned to begin construction of the carriers and the anti-submarine craft immediately. The smaller boats, he said, would be built inland, on the Gulf, the Great Lakes, in the Mississippi Valley—"Wherever there are facilities available."

A question from the floor as to

(Continued on Page Three; Col. 1)

Churchill Again Sees Roosevelt

Arrives In United States For Series Of Talks With President

MAY MEAN 2ND FRONT

It Is Possible That British Minister Here For Arranging Push

WASHINGTON, June 18. (AP)—Winston Churchill, Britain's wartime prime minister, has crossed the Atlantic once more to sit down with President Roosevelt and chart plans for crushing the Axis—perhaps by opening a second fighting front in Europe.

A brief White House announcement tonight disclosed that Churchill had reached this country secretly and safely for immediate conferences with Mr. Roosevelt. It kept his exact whereabouts secret, refraining from disclosing whether he was in Washington or some other locality.

Presidential Secretary Stephen Early told reporters without the slightest degree of qualification that he thought speculation was "perfectly justified" on the possibility that the momentous deliberations of the heads of the two great Allied powers would touch on a second front.

"The conferences will begin immediately,' Early asserted. "The subject of the conferences will be, very naturally, the war, the conduct of the war, and the winning of the war."

Conjectures about a second front developed rapidly, inasmuch as Russia's foreign commissar, V. M. Molotov, had just returned to Moscow from highly important parleys in London and Washington which brought about a complete understanding among the United States, England and Russia on the "urgent tasks of creating a second front in Europe in 1942."

Russia and England, bearing the brunt of actual combat operations in Europe and Africa, have been feeling again the weight of Nazi arms as the armored legions of Hitler have been hurled into attacks in the Tobruk, Crimean and Kharkov areas — and not without some successes. A second front would relieve the pressure of this three-pronged assault.

Leaders of the more powerful of

(Continued on Page Two; Col. 2)

—V—

U. S. BOMBERS NOW IN CHINA

Col. C. V. Haynes North Carolinian, Placed In Command

CHUNGKING, China, June 18.— (AP)—Existence of a United States Army Bomber Command in imperiled Free China was disclosed today at a time when the Japanese enemy was heavily reinforcing his air strength to defend his conquest of Burma and attempt to mop up the armies of Chiang Kai-Shek.

Col. Caleb V. Haynes, big, 46-year-old North Carolinian who personally directed the harrowing aerial evacuation of Burma, was named chief of the command. Just where and when the American force will go into action is an important military secret.

Already operating in the China War theatre are the "Flying Tigers" of Brig. Gen. Claire L. Chennault's American Volunteer Group.

Informed estimates of the present aerial dispositions of the Japanese air force in the Burma and

(Continued on Page Three; Col. 1)

—V—

70,000 Pounds Of Rubber Is Collected As Campaign Continues In Wilmington

Wilmington's answer to its Uncle Sam's plea for scrap rubber yesterday had brought a total of 70,000 pounds of the vital material to service stations of the city.

The drive, which opened on Monday, was gaining momentum almost hourly, according to Chairman Alex Sprunt.

Mr. Sprunt had a word of praise for the work being done by Boy Scouts in the drive. Local troops, he pointed out, are convassing the entire city for rubber under the supervision of Area Executive David Liles

Nazis Claim Capture Of Heydrich Killers

LONDON, June 18— (AP) —Two men accused as the assassins of Reinhard Heydrich, No. One Gestapo executioner known to millions in occupied Europe as "the hangman,' were found in a Prague church this morning and "shot while resisting arrest," the Prague radio announced tonight.

The announcement came two hours after the expiration of a German ultimatum to the Czechs to deliver up the assassins of Heydrich or take the consequences.

The British Broadcasting Corporation told the Czechs in a broadcast from London tonight that the Nazis had "decided to discover" the assailants of Heydrich after realizing that their threats of heavy reprisals were "in vain."

The British broadcast emphasized that the Berlin announcement was issued only two hours after expiration of the ultimatum to the Czechs.

"Embittered and frightened by Czech resistance, the Nazi authorities let themselves indulge in vain and useless threats," th announcer said. "There can be no doubt that the Czech nation has conquered in this fight against the Nazi oppressors."

At least 382 persons, some of them women and girls, have been executed by the Germans in reprisal for the assault on Heydrich and the Nazis have wiped out the village of Lidice, where 350 men of the village were said to have

(Continued on Page Three; Col. 6)

Supreme Soviet Thunders Approval Of Recent British-Russian Treaty

MOSCOW, June 18—(AP)—Thundering a vote of complete confidence, the Supreme Soviet tonight at its first wartime session ceremonially approved the British-Russian treaty after hearing foreign Commissar Vyacheslav Molotov express the deep hope that the "common enemy soon will feel on his own skin the mighty blows" of Russia, Britain and the United States.

Molotov told the cheering Russian parliament, as premier-defense Commissar Joseph Stalin nodded agreement, that the question of a second front in Europe was given "serious attention" both in London and in Washington. In the latter city Molotov concluded a full understanding with the United States on the war and on post-war problems.

(The three great world powers announced on June 11 that they had reached complete understandings on "the urgent tasks of creating a second front in Europe in 1942.")

Molotov disclosed that President Roosevelt had cabled an invitation to the trip which resulted in the Washington agreement.

He told the parliament that the Washington agreement would accelerate and increase deliveries to the Soviet union in spite of the damaging Axis attacks on convoys destined for Murmnsk and Archangel, Soviet Arctic ports.

He declared that although several Allied ships had been sunk en route to the Soviet Union, such attacks had not prevented increased deliveries.

Molotov revealed that the new agreement with the United States envisaged American aid amounting to $3,000,000,000.

The Supreme Soviet officially approved these resolutions:

1. To approve the government foreign policy.

2. To ratify the treaty between Russia and Britain on the "alliance in the war against Hitlerite Germany and her associates in Europe and on collaboration and mutual assistance thereafter."

The greaty was signed in London on May 26.

Molotov declared that the conversations in London and Washington strengthened the conviction that "victory over German imperialism will be considerably faster."

Among the main points in Molotov's speech were:

1. The agreements would govern both the wartime and post-war cooperation with no territorial expansion or interference in the internal affairs of other nations.

(Continued on Page Three; Col. 2)

Roger Babson Reviews The Industry Outlook

BY ROGER BABSON

NEW YORK, June 18. —Once a year I like to give readers a brief resume of some of the various leading industries. I am arranging these, however, alphabetically rather than in accordance with their immediate importance as they are changing their relative position each month. Following are my condensed analyses:

AGRICULTURAL EQUIPMENT —An essential industry. Profits satisfactory, dividends liberal. Farm prosperity should maintain post-war sales.

AUTOMOTIVE—Practically entirely converted to war production. Profit margin down. Taxes up. War-end outlook favorable.

AVIATION—Outlook for manufacturing companies poor. Planes will be "a dime a dozen". Transportation units should boom after the war.

BANKS—Assets approaching new highs. Low rates and government holdings make earnings moderate. Prices low in relation to book values.

BUILDING—Slump in residential construction and inability to convert to war work have caused severe inflation. Should boom at war's end.

CHEMICALS—Vulnerable to excess profits tax. Industry in growth period aided by research. Has in-

(Continued on Page Three; Col. 4)