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German Drive Reported Stalled

Ships May Go On War Basis

Bailey Says Shortage Is Critical

North Carolina Senator Says "We Must Get a Total Effort Without Totalitarianism;" Voluntary System Fails.

Washington, June 26.—(AP)—Senator Bailey, Democrat, North Carolina, said today it was necessary to put the entire merchant marine on a war economy "to cope with critical shortages of ships" both coastwise and transoceanic.

The chairman of the Senate commerce committee said this could be accomplished under the merchant ship priorities bill pending before his committee after House approval. "This is war economy as opposed to normal economy," he said to newspapermen. "We must get a total effort without totalitarianism. We'll keep every ship busy, we'll build up our merchant marine, and it will be strong for years."

Defense and maritime officials asked the drastic ship control legislation after experiments for several months with a voluntary control system.

They said government agencies needed ships immediately to bring 4,000,000 tons of defense material to this country.

John J. Dempsey, speaking for the maritime commission, told Congress that most ship owners had cooperated under the voluntary system, but a few preferred to haul some items at \$40 a ton when this country needed ore at \$18 a ton.

LUFTWAFFE BOMBS PORT FACILITIES

Berlin, June 26.—(AP)—Port facilities at Southampton and vital objectives in the center of the city were bombed successfully by the Luftwaffe in attacks on England last night, Germans said today.

The night raiders also were said to have sunk a 1,500-ton merchant vessel off Great Yarmouth. The Germans acknowledged that British air raiders had again attacked some places in western Germany during the night, causing some damage and casualties, but they said no military targets were hit.

BRITISH GARRISON ACTIVE AT TOBRUK

Cairo, June 26.—(AP)—Britain's beleaguered garrison at Tobruk, Libya, yesterday made strong gains against the axis front and thereby considerably strengthened our own position in this sector," the British Middle East command reported today.

This sign of new British offensive strength on the western desert was coupled with claims of gains also in East Africa and what the command called progressive "disintegration" of fascist forces in Ethiopia.

Tire Prices To Be Fixed

Price Administrator Henderson Announcing "Freezing" at June 16 Levels.

Washington, June 26.—(AP)—Leon Henderson, price administrator, announced today that both wholesale and retail prices of automobile tires and tubes would be frozen at the levels prevailing June 16.

Henderson said that conferences with the tire industry would be held within the next few days to smooth out certain details of the proposed schedule, which is expected to be ordered next week.

An advance announcement of the pending move was decided upon, Henderson said, to advise the trade of what to expect and to avert any advance in prices.

AFL Machinists End Strike At San Francisco; New York Fears Transportation Tieup

Nazi Blitz Wrecks Red Town



Only heaps of rubble and a few battered walls remain in this Russian town near the German border after an attack by Nazi dive bombers and tanks, according to the official German caption with this radio photo from Berlin. According to the Nazis, the building at left is what remains of a Red snipers' nest.

SEVERE EARTHQUAKE OCCURS IN MOROCCO

London, June 26.—(AP)—A severe earthquake, which experts compared with some of the worst in recent years, was recorded today and indirect reports said there had been considerable damage but few casualties in Morocco.

The quake began at 2 p. m. (7 a. m. EST) and still was registering 46 minutes later when the seismograph needle here swung two and one-fourth inches. The tremors appeared to be getting progressively more violent.

Tobacco Association In Convention

Norfolk, June 26.—(AP)—Business before the Tobacco Association of the United States, which is holding its 41st annual convention here today, tomorrow and Saturday, included discussion of the opening dates of markets in the tobacco belt, election of officers and reports of various committees.

A meeting of the tobacco sales committee was held today, at which time representatives from the various tobacco belts discussed the opening dates of these belts. Announcement of the dates will not be made until the general business session of the body tomorrow. In addition to announcing opening dates, tomorrow's session will be featured by addresses by J. W. Dunnington, of Farmville, president of the association, and George Van Dyne, of the Commodity Credit Corporation, Washington.

FDR Asks Housing Fund

Washington, June 26.—(AP)—President Roosevelt proposed today that Congress authorize spending of an additional \$350,000,000 on defense housing.

This would double the amount approved last October. In a special message to the legislators Mr. Roosevelt suggested early consideration of the proposal, in view of the urgency of the matter.

Work to be Resumed Monday on \$500,000,000 Worth of Shipbuilding Orders; Chicago Newspapers Having Labor Trouble.

(By The Associated Press) AFL machinists announced today the end of the 47-day strike at eleven San Francisco Bay shipyards.

Important defense orders aggregating \$500,000,000 have been delayed by the walkout of 1,200 AFL machinists and of 600 affiliated with the CIO.

At a meeting in San Francisco last night, the AFL men voted to return to work Monday, negotiating their contracts later. Meanwhile, they were assured of protection under terms of a master contract negotiated by the AFL metal trades council with all 39 major Pacific coast shipyards. The striking machinists, after their walkout, had withdrawn from the trades council. But they received assurance from the office of Production Management in Washington of protection under terms of the master contract. Meanwhile the CIO strikers prepared to meet tonight to reconsider their position. James Smith, business agent for the CIO, sat in on the AFL meeting and said he would have a definite recommendation to make to the members of his union. Recently, Smith has opposed back to work plans.

Wages were one of the big issues in the strike. The machinists, who had been getting \$1 an hour and double time for overtime, struck for \$1.15 and continuation of the double overtime. The master contract provides for \$1.12 and time and a half for extra hours.

Clear across the continent a strike threat held over New York City's municipally operated subway system which carries more than 1,800,000 passengers annually.

With union contracts expired June 20, Michael J. Quill, international president of the CIO Transport Workers Union, declared last night that

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Hitler Bewilders

First Reaction In Washington to Russian Invasion is Confused, Stewart Says.

By CHARLES P. STEWART

Washington, June 26.—Executive, congressional, military, diplomatic, political and miscellaneous expert comment in Washington apropos Herr Hitler's attack on Russia doesn't make much sense. Not yet, anyway. There's a lot of it, but bewilderment about all it expresses. The situation recalls the ancient story of the young reporter, who assigned by his editor to telegraph in an account of a nearby calamity, arrived on the scene, took a look, tried to talk with some of the disaster's survivors, found 'em fairly incoherent and hastily wired to headquarters the message, "Everything's confusion. Can send nothing."

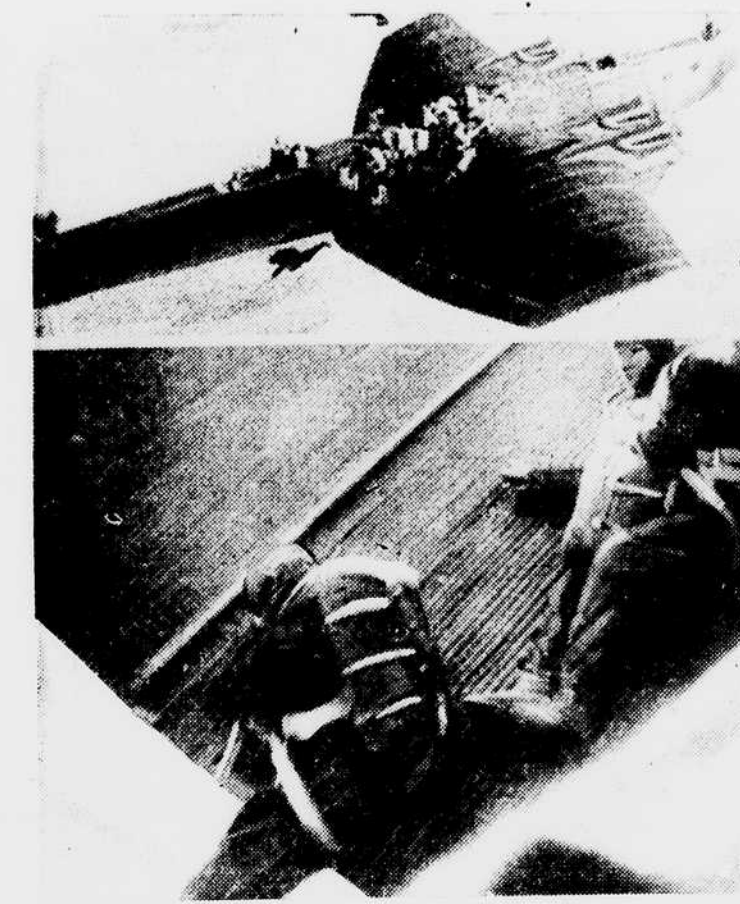
Which outfit do we hate worst, the nazis or the communists? Perhaps it's a tie. In that case, should we do any lease-lending to either one of 'em? Before we try to answer that question we must take into account the fact that Winston Churchill promises the Russians all the aid Britain can give 'em. It's understandable, Winston's thinking of Britain's immediate emergency. It may be a life-saver to John Bull to have the nazis involved in a terrible jam with the Soviet folk. After and if Herr Hitler's licked, the British can work

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WEATHER

FOR NORTH CAROLINA.
Partly cloudy tonight and Friday; warmer Friday.

Red Chutists Invade Rumania



Russian parachute troops are shown hauling out of a huge transport plane during recent maneuvers. A suicide squadron of several thousand such troops, armed with machine guns and flame throwers, attacked the Rumanian oil fields at Ploesti and the port of Constanta, according to reports in Turkey.

Americans May Join Democracies' Armies

FINNISH PRESIDENT CHARGES RED THREAT

Helsinki, June 27.—(AP)—President Risto Ryti of Finland, in a radio message to his country even as Russian warplanes were carrying out devastating air assaults, charged tonight that Soviet Russia had repeatedly threatened the independence of Finland since their peace of March, 1940.

RAF Raids Intensified

British Reports Nine German Fighters Shot Down Over Channel and France.

London, June 26.—(AP)—Britain's RAF reported the destruction of nine more German fighter planes over the channel and northern France today when it returned there for another hattering raid to reinforce its mastery of the daylight skies in that area. Three British fighters were missing.

Only a few hours after the RAF wound up the greatest 24-hour offensive it has yet attempted—a continuous assault in which 400 to 500 planes were said to have participated—the roar of aircraft could be heard along the south coast as planes raced across the channel to hammer Nazi-occupied territories again. Yesterday's great raid culminated in another smashing air attack on western Germany. The short summer nights were said to be forcing the RAF to concentrate on western Germany but when the nights lengthen they expect to reach out to the virtually untouched eastern section.

Bremen and Kiel were the main objectives last night. While the RAF smashed at the reich the Germans—apparently occupied with operations in the east—contented themselves with light raids on points in southern England.

BRITISH FORCES ADVANCE IN SYRIA

Cairo, June 26.—(AP)—British forces in Syria have made "substantial gains" west of Damascus "in the face of increased resistance," the British command reported today.

Positions captured yesterday in the region of Mardiyoun, southern Syria, are being consolidated, the daily communique said, while British land guns and guns of the British fleet off the coast are cooperating in supporting the British drive toward Beirut.

Nazis Keep Silence On Offensive

Red Army Reported in Russian Military Dispatches to be Enveloping Thrusts of Germany's Mechanized Armies.

(By The Associated Press.) With Germany herself silent on details of the Russian campaign, reports from other quarters, including the Russian, indicated late today that the offensive had been stalled on large sections of the 1,000 miles of the active line on the fifth day of the epic clash.

The Red Army was reported in Russian military dispatches today to be enveloping the thrusts of Germany's mechanized armies and, if ultimately successful, the tactics will be the first checkmate ever found for the panzer infiltration.

By the Russian account, masses of Red troops, thrown into the breach after passage of German tanks in their drive toward Vilna, Lithuania, re-formed the front, leaving the tanks to be disposed of in their guard action.

The French tried it a little more than a year ago and it didn't work.

According to word reaching Vichy military circles tonight, the Germans have made no great forward movement against the Russians within the past 24 hours, except for the drive near Vilna.

This, if true, might account for the continued reticence of the German high command to discuss the campaign in detail.

Russian forces were reported holding tight in the Vilna sector and elsewhere along the 1,000-mile active battle front. Russian dispatches said that a town on the border of German-occupied Poland had been recaptured in a Russian counter attack.

The announcement of Russian successes coincided with a broadcast of an official Russian statement charging Finland with flagrant violation

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BRITISH VESSELS SUNK OFF TOBRUK

Berlin, June 26.—(AP)—A British heavy cruiser, a light cruiser and a tanker were sent to the bottom off the Libyan port of Tobruk by German warplanes on Tuesday, informed sources reported today.

Eight ships, totaling 48,000 tons were sunk by submarines, the same source said.

Location of the sinkings was not given, although the submarine previously were reported to have made "a good job" in attacks on British shipping in the North Atlantic.

SENATOR BYRNES MAY JOIN COURT WITHIN A WEEK

Washington, June 26.—(AP)—James F. Byrnes, Democrat, South Carolina, would leave the Senate some time next week to become an associate justice of the Supreme Court.

They said Byrnes would delay taking the Supreme Court seat longer only if Democratic Leader Barkley, now recovering from an illness should suffer a setback.

Japan May Join War

Italian Admiral Says Japan May Occupy Sakhalin Island and Other Soviet Bases

Rome, June 26.—(AP)—Admiral Gino Duccci of the Italian navy said today that Japan might join in the axis war on Russia, occupying all of Sakhalin island and other northern Soviet bases to prevent the United States from occupying Siberian bases in a war against Japan, Germany and Italy.

United States commercial aid to Russia "may force" Japan to "re-examine her defensive problems toward the west and north," Admiral Duccci said today.