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# Jap Bombs Damage U. S. Boat

## Red Army Tide Surges West

### Reds Claim Nazi Troops Thrown Back

**Big German Drives  
Toward Leningrad,  
Moscow and Kiev  
Stalled, Russians  
Declare; Heavy Fighting  
Reported.**

Moscow, July 30.—(AP)—The Red army declared today it had hurled German infantry from trenches near Smolensk and some reports said Nazi tank spearheads had been driven back 150 miles from their deepest penetration.

The Red army tide, Russians said, is surging west. They declared the big German drives toward Leningrad, Moscow and Kiev were stalled and the Nazis were fighting to hold their ground against increasingly heavy Soviet counter attacks at key points along a front 1,000 miles long enough to stretch from New York to Kansas City.

A Moscow communiqué reported "particularly heavy fighting" and heavy German losses in the Smolensk salient where "our units detrenched the enemy from their positions with a succession of counter attacks."

Heavy fighting also was reported taking near Zhitomir, gateway to the Ukraine, and in the north near Novo.

Vice Foreign Commissar S. A. Lozovsky said nine million men were locked in battle along the front. He added that strong Soviet tank forces—with plenty of reserves whenever they are needed—had turned back the Nazi advance forces.

Unofficial sources reported the German advance units pushed back as much as 100 miles from positions they once reached, but did not specify in what sector.

(German dispatches) reported a mighty battle raging on a 100-mile front preceding on Smolensk. Adolf Hitler's newspaper said this front extended from Mogilev, southwest of Smolensk, to Vyazma, 100 miles east of Smolensk and 130 miles from Moscow.)

### Holland Gets 8th Reprieve

Raleigh, July 30.—(AP)—Sheprose Holland, spared from death in Central Prison's gas chamber on seven previous occasions after having been convicted in the insurance murder of Ray Goodman, his four-year-old stepson, received his eighth reprieve today.

Under today's reprieve, Holland's execution is automatically stayed until September 19, the third Friday after the expiration of the reprieve.

Commenting on the action, Edwin Gill, commissioner of paroles, said "Holland has been reprieved in the past in order that he might appear as a witness in the case of the State vs. Sutton. This case was concluded yesterday and Governor Braxton will now proceed to a consideration of the case of Holland on its merits."

### Germans In Bulgaria

#### Possibility Seen of Preparations for Operations Against Russian Fleet.

Ankara, Turkey, July 30.—(AP)—Diplomatic dispatches from Bulgaria reported today that German naval personnel had arrived at the Black Sea ports of Varna and Burgas.

The possibility was seen that they were preparing for operations against the Russian fleet. At the same time, rumors were circulating in Turkey that the axis planned to seize the Dardanelles and Bosphorus straits in order to send the Italian

#### Mr. Churchill Rides a Tank



Inside one of England's "Churchill" tanks, Prime Minister Winston Churchill, for whom the new type British heavy tank was named, carries on a radio conversation. Owing to the tank's cramped interior, Churchill discarded his well-known hat in favor of a Royal Tank regimental beret.

### Roosevelt Requests Price Fixing Power

#### Konoye Calls For Swift Jap Action

"We Face Inflation, Unless We Act Decisively and Without Delay," President Says In Asking Congress to Pass Law.

Tokyo, July 30.—(AP)—Japan needs "swift" determined execution of her national policy," Premier Prince Fumimaro Konoye declared today as the Japanese press grew increasingly critical of United States and British activity and described the Netherlands East Indies as their tool.

The premier warned that Japan "must always be prepared to meet the worst" and that war between Germany and Russia "is bringing serious effects on Japan" but did not explain how.

The President also requested in a special message authority to purchase materials and commodities when necessary to assure price stability and to "deal more extensively with excesses in the field of installment credit."

While refraining from seeking authority to put a limit on wages, he said he expected voluntary cooperation of labor to prevent labor costs from rising abnormally.

"Labor," Mr. Roosevelt said, "has more to gain from price stability than from abnormal wage increases. These are likely to be illusory and quickly overtaken by sharp rises in living costs which will put particular hardship on the least fortunate of our workers and our old people."

The message went to a Congress sharply divided on the question of price fixing. Already a Senate farm bill has served notice it would oppose limits on agricultural prices and only yesterday the Senate approved a bill preventing the marketing during the emergency of government-owned stocks on wheat and cotton.

Another group in Congress has advocated control of wages on the ground that wage increases have put manufacturing costs and forced higher prices.

A bill to carry out the President's request expected to be introduced in both houses shortly. Leon Henderson, head of the office of price administration and civilian supply, has been working on the legislation for weeks, with bill framing experts.

Mr. Roosevelt recommended that the price-limiting authority be flexible and subject to exercise through license or regulations under expeditious and workable administrative procedure."

**WEATHER**  
FOR NORTH CAROLINA.  
Continued partly cloudy and warm with a few scattered thundershowers this afternoon or early tonight and probably Thursday.

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### House Group Favors Army Service Bill

Floor Debate on Measure Expected to Begin Next Week; Legislation Expected to Pass House; Republicans in Opposition.

Washington, July 30.—(AP)—The House military committee today approved legislation to retain selectees, National Guardsmen, reserve officers and enlisted personnel of the Army for military training beyond one year.

The committee vote was 15 to 7 for the legislation, which was identical with that approved by the Senate committee, except for an addition to permit the President to order Guardsmen to serve more than one twelve-month training period.

Chairman May, Democrat, Kentucky, of the House committee, said he will appear before the rules committee Friday to ask a special status for the legislation on the House agenda.

May said he hoped to start floor debate on the measure next week and predicted that "unquestionably it will pass the House."

This afternoon, committee Repub-

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### Strikes End In 4 Cities

But 8,000 Electrical  
Workers in New York  
Continue Walkout In-  
to Second Day.

(By The Associated Press)

Work stoppage in four widely separated cities was terminated today but a strike of 8,000 AFL electrical workers in New York City went into a second day with its effects reaching into the Brooklyn navy yards.

The national defense mediation board announced the end of stoppages at the Gulf State Utility Co., Baton Rouge, La., and at Air Associate, Inc., at Bendix, N. J.

At St. Louis, Mo., where 2,700

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### U. C. C. Merit System Used As Testing Ground By State

Daily Dispatch Bureau  
In the Sir Walter Hotel.  
By HENRY AVERILL.

Raleigh, July 30.—The merit examinations given by the Employment Compensation Commission to applicants for jobs and the service ratings which evaluate the work of the U. C. C. staff after employment are likely to lead by the success of failure with which they meet, to determine whether or not some sort of civil service or merit system shall be applied to employees of all departments of the State government.

At the U. C. C. meeting together dinner last week, Governor J. M. Brightwell flatly said he favored a merit system for all state employees, though he has been pictured in many quarters as the most ardent practitioner of the spoils system in the governor's chair in many years.

With the position in favor of a merit system and my legislators already committed to the same idea, the working of the U. C. C. plan will be watched with interest as it develops.

As a matter of fact, the 1941 legislation broadened the merit field to include all agents of the state receiving funds under the federal Social Security law, but the U. C. C. was first in the field of merit systems in North Carolina and it is the one likely to be used as a proving ground.

It is pointed out that the merit system not only provides a plan for recruiting qualified personnel, but that it attempts to harmonize and

### Where Communiques Conflict



What is actually happening in the Russo-German war may not be known until a decisive victory lifts the veil of censorship imposed by both Berlin and Moscow. Here is the line of battle as far as can be ascertained from the conflicting communiques issued by both sides. Both sides claim victories; the Nazis reporting great advances, the Russians reporting the blitzkrieg definitely stopped.

(Central Press)

### Vessel Hit In Raid On Chungking

Navy Says Damage to  
United States Ship  
Was Incidental to General Air Raid on Chinese Capital; Gunboat In Safety Zone

Washington, July 30.—(AP)—The Navy announced today that the United States gunboat Tutuila had been damaged by Japanese bombs in a Japanese air raid on Chungking, Chinese capital. No casualties were reported.

The gunboat was said to have been at anchor across the Yangtze river from the capital.

Several hours earlier, loaded by the orders over the radio, patrol gunboats, a Navy spokesman said, and the stern torpedo boat, the small vessel, had damaged.

The Navy source stated his belief that the zone to the United States ship was incidental to the general raid on the Chinese capital city, although the vessel was in the so-called safety area across the river.

A small outward motor boat belonging to the Tutuila was shattered, it was announced, and some other equipment on deck nearby was reported damaged.

The Tutuila narrowly escaped being sunk when it fell in the American safety zone in Chungking on June 15, leading to a strong United States protest to Japan.

At that time several bombs fell in the vicinity of the American embassy at Chungking and near the Tutuila.

The Tutuila, sister vessel of the Panay, which on December 12, 1937, was sunk by Japanese actions with the loss of two lives, on the Yangtze river above Nanking.

Whether the United States would take steps to damages to the Tutuila remained uncertain.

### Bombing Brings Representations

#### Polish-Soviet Agreement Is Signed

Acting Secretary of State Welles Confers With Japanese Ambassador Nomura and Lodges Immediate Representations.

London, July 30.—(AP)—A Polish-Soviet-Russian agreement was signed at the British foreign office today.

The agreement grants an amnesty freeing all Polish prisoners with no more than twelve days and the United States embassy narrowly missed by the air raiders this morning.

Sumner Welles, acting secretary of state, made arrangements of the representations after a brief conference with the Japanese ambassador. Admiral Kichisaburo Nomura.

Welles declined to indicate the nature of the representations.

It was believed, however, that Welles, after conferring with President Roosevelt by telephone, had called the Japanese ambassador.

In announcing that negotiations had been made, Welles said the government had received a report that 26 Japanese bombers flew over the Chinese capital dropping bombs near the Tutuila and other American ships.

He said that both the gunboat and the property were across the Yangtze river from the capital.

In connection with the Japanese ambassador's unexpected visit, it was recalled that the United States ambassador immediately called on the Japanese envoy and delivered strong representations at the time the U. S. Panay was sunk by Japanese bombers in December 1937.

He said that both the gunboat and the property were across the Yangtze river from the capital.

Each group of planes, flying in formation, was to drop its bombs in the direction of the British embassy.

To determine whether these tests were being made, the commission requires service ratings to be prepared for all employees for the six months period ended December 31 and June 30 of each year.

Each agency prepares two forms in evaluating his employees according to an article by Hugh M. Rapier, assistant training supervisor, a service rating form, which gives the official record of performance for the period, and a comment form which serves as an aid to the supervisor in preparing an objective evaluation of each employee.

The rating officer's appraisal submitted to the department head

### Cigarette Jobber Heard

Louisville, Ky., July 30.—(AP)—The leader of tobacco manufacturers, addressed to wholesalers for promotion purposes, was described to the tobacco and trade journal today by Edward H. Hart, Indianapolis jobber.

The association sold to the sellers of the growing low price to consumers. It is 25 cent and constitute not over \$600 worth of his business annually.

Most of the salesmen's purchases are of lesser known brands to be used in advertising, he said.

### Eden Warns Japanese

British Foreign Secretary Advises Nation "To Reflect While There Is Still Time."

London, July 30.—(AP)—Foreign Secretary Anthony Eden said today only the nations could tell if Japan will honor her promises to respect the sovereignty and integrity of French Indo-China and sharply warned the Japanese "to reflect while there is still time whether their present policy is leading them."

Eden asserted that Japan's complete independence, yet it is Japan who is what they desire, acts of aggression, and always closer and closer to self-destruction the countries which lie to the south and whose territories and interests are even more closely threatened.

The adding of cannot believe that statements of Japan is entirely dead or blind, he warned those responsible for the destinies of the Japanese to "reflect."

This source made available an official statement which traced the British effort to avert the Japanese occupation of Indo-China.

He said ratification of the commercial treaty between Japan and Indo-China early in July was synchronized with the report that Japan contemplated acquisition of naval and air bases in both Indo-China and Thailand.

### Tax Measure Procedure Modified

Washington, July 30.—(AP)—The House rules committee voted today to modify previously proposed procedure for consideration of the \$26,290,000 tax bill so as to permit a separate vote on the provisions which would require married persons to file joint income tax returns.

This modification was decided upon by the House leadership yesterday after it became apparent that opponents of an iron clad rule against all amendments except those sanctioned by the ways and means committee might be able to prevent its adoption.

The administration's original strategy called for adoption of a closed rule, approved by the rules committee, under which all amendments would have been barred except those offered by the ways and means committee. Some Republicans called the proposed restriction a "gag" rule.

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