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## Lexington Sunk In Coral Sea

### Allied Nations Capitals Buzz With Speculation

## New Battle Rages At Kharkov

### Nazi Summer Record Tax Levies Agreements Offensive Passea tentatively With Russia May Be Near Are Short Of Goal Cause Stir

#### Marshal von Bock's Armies Reported Attacking in Ukraine; Russians Claim Gains in Fighting Around Sevastopol.

(By The Associated Press) Marshal Fedor von Bock's armies were reported attacking today in a great new battle around Kharkov, the Soviet "Pittsburgh" in the Ukraine, and indications that zero hour may be near for the long-heralded German summer offensive.

A bulletin from Nazi field headquarters said German troops east of Kharkov had carried out successful attacks which were increasing in volume.

Tersely, the Soviet command acknowledged that the new German drive was making headway against bitter Russian resistance.

During the day of June 11 in the Kharkov sector, our troops waged fierce defensive engagements against advancing enemy tanks and infantry, a Red army communique said. It added, however, that there had been no important changes overall.

On the Crimean front, Soviet dispatches reported that the defenders of long-besieged Sevastopol, key Black sea naval base, were counter attacking, improving some of their positions and bloodily repulsing fresh German assaults.

The Russian high command said nearly 15,000 Germans had been killed in more than 50 tank battles in three days of fighting on the approaches to Sevastopol, but dispatches to Red Star the Soviet newspaper, contended that the situation was "extremely tense."

Haber's field headquarters declared the eight-day old German offensive "gained ground in stubborn fighting" and asserted that reported Russian counter attacks "collapsed with heavy losses."

A Berlin broadcast said the attacks on Sevastopol and east of Kharkov were the prelude to Hitler's "coming great offensive," and indicated the big push would start once Sevastopol had been reduced and the German lines straightened out below Kharkov.

In the battle of north Africa, British and German armored forces clashed on the desert sands 25 miles below Tobruk following the withdrawal of free French troops from Bir Hacheim, axis-captured southern anchor of the main British defense system. British headquarters said the tank battle continued.

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### Axis Vessels Hit By Bombs

London, June 12.—(AP)—Two American-made Hudson bombers flown by Canadians damaged two axis vessels in a convoy off Holland last night, the air ministry reported today.

One bomber scored at least three direct hits on the largest ship in the convoy, composed of four vessels. Hits on a smaller vessel were made by the other planes.

Military quarters said continued bad weather prevented the RAF from their third consecutive night of attacks on German shipping.

#### CHINESE CONCEDE LOSS OF CHUHSIEN

Chungking, June 12.—(AP)—The Chinese conceded today the loss of Chuhsien, rail center in western Chekiang province, but claimed recapture of Iwan, on the Chekiang-Kiangsi railway, about halfway between Chuhsien and Hanchow, northern terminus of the line.

### Gen. Tinker Is Missing

#### Commander of Hawaiian Air Force Lost While Leading Flight in Midway Battle.

Washington, June 12.—(AP)—The War department reported today that Major General Clarence L. Tinker, commander of the Hawaiian air force, was missing after the battle of Midway.

Tinker left Monday, June 7 leading a flight of his Army bombers to attack the Japanese fleet.

His plane when last seen by men aboard other aircraft in the same formation was descending rapidly toward the sea, the War department said.

The area where his plane was last observed was thoroughly searched from the air and by surface craft for several days but no trace has been found of the missing officer. Tinker was the first American Army air general officer to be reported missing in action in the war. Two other generals, Major General Herbert A. Dargue and Harold H. George, met death in accidents.

Tinker has been commander of the Army air forces in Hawaii since shortly after Pearl Harbor. When Lieutenant General D. C. Egan, also an air officer, was ordered to Hawaii to relieve Lieutenant General Walter C. Short as commander of the Hawaiian department, Tinker, then a brigadier general, accompanied him as the new commander of the Army air forces in the Pacific outpost.

### Flying Tigers Down Seven

Chungking, June 12.—(AP)—Flying Tigers of the American Volunteer Group shot down seven and possibly eight of 18 Japanese planes in an air fight over Kwailin, capital of Kwangsi province, it was reported today.

Kwailin, base for Chinese forces in the south, has been under almost daily bombardment in the Japanese air force's widespread campaign apparently designed to "soften up" Chinese communication centers and bases throughout Southeastern China.

(Evidently, the AVG, which on July 4 is to become part of the United States Army air force, has been assigned to meet this Japanese threat.)

### WEATHER FOR NORTH CAROLINA

Scattered thundershowers this afternoon and tonight, mostly in the interior; little change in temperature.

#### House Ways and Means Committee Agrees Upon Measures Expected to Raise \$6,087,000,000; Sales Tax Still Debated.

Washington, June 12.—(AP)—A record-breaking \$6,000,000,000 program of new taxes has been approved tentatively by the House ways and means committee, with the prospect that more millions—perhaps billions—would be added before legislation reaches the House.

A resolution today stated that the committee, approaching the end of a study of the administration's request for \$8,700,000,000 in additional revenue, already had agreed upon \$6,087,000,000, with votes remaining only on a few minor excise taxes.

The committee yesterday voted to double the present 5 per cent tax on fare paid for transportation; to raise the tax on a package of cigarettes from six and one-half cents to seven cents; to increase the present cigar tax materially; to add six cents to the present 18 cents a pound on smoking tobacco tax, and to jump the cigarette paper and tube levy to one-half cent on each package of 25.

Members said that once they disposed of a few other excise items they will take the question of stopping there or proceeding to consideration of a sales tax to bring billions of dollars more into the treasury to help finance the war and control inflation. It has been estimated that a 5 per cent retail sales tax would raise \$2,500,000,000.

They said, too, that actions already taken, such as drastic increases in individual and corporation taxes, probably would be renewed and might even be revised sharply downward, especially if a sales tax were added to the big bill.

As the committee took up a discussion of taxes on soft drinks, photographic equipment, transportation by pipeline and telephone and telegraphic communications, its accomplished work "shipped up" this way:

Individual taxes, \$2,750,000,000; corporation taxes, \$2,500,000,000; mandatory loan returns by husbands and wives, \$350,000,000; excise taxes \$487,000,000.

### Several Promising Fights Develop For Legislature

Daily Dispatch Bureau. In the Str Walter Hotel. By BOB THOMPSON. Raleigh, June 12.—When he took the leading part in pressure-peddling F. E. "Lew" Wallace and running against John Kerr for speaker of the house, Earl Representative Governor Broughton's first desire was peace and harmony in the next legislature. It now begins to look as if his plan won't work. Several promising fights already are beginning to develop. One of the most interesting, and one quite likely to give the governor some embarrassment, will be over the platform pledge for a statewide nine months school term.

Don't be surprised if Senator Gregg Cherry, candidate for next governor but no close friend of the present one, does not turn out to be one of the leaders in the fight for the extended term. It was with the help of his vote, as a member of the platform committee, that the plank got into the platform. Whether he was thinking about his candidacy at the time he voted, that plank may prove to be one of the

ry's campaign assets. Among other things it's liable to be extremely embarrassing to Dr. Ralph McDonald, who has stated that unless somebody like L. P. Mcendon runs against Cherry, he will do it himself.

#### Creation of Second Front in 1942, Possible Russian Attack on Japan, and Opening of Russian Air Bases Envisaged.

(By The Associated Press) Allied capitals rang with speculation today on the prospects of three vast and perhaps imminent developments aimed at the final downfall of Germany and Japan and the shaping of a new world at peace.

While Berlin sounded a new hymn of Adolf Hitler's "coming great offensive," the United Nations envisaged:

1. Creation of a second front in Europe in 1942.
2. A possible Russian attack on Japan.
3. The opening of Soviet air bases to American bombers for attacks on Japan.

In Washington, congressional quarters expressed belief that the "full understanding" reached between President Roosevelt and Russia's Foreign Commissar Molotov might open bases at Vladivostok to U. S. bomber squadrons.

"If the Russians give us the right to use those bases, I feel confident that the United States could bring Japan to her knees in a short time," declared Senator Wheeler, Democrat, Montana.

Others voiced the conviction that nothing in the mutual aid agreement between the United States and Russia would precipitate the Russians into war with Japan while they were so actively engaged with Hitler in the west.

Sorely pressed China watched anxiously, with the Chinese press bluntly calling on Russia to strike at Japan now.

In Chungking, the newspaper Ta Kung Pao declared: "Russia should realize that the Japanese attack on the Aleutians was a direct threat to Soviet Kamchatka and Siberia. Can Russia sit on the sidelines and watch the wildfire spread?"

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FDR Greet King of Greece at White House



King George II of Greece was welcomed to the White House by President Roosevelt and high government dignitaries. They are pictured here in a chat at a colorful ceremony staged on the South Lawn of the White House. The exiled monarch told reporters that his only mission in the United States was to arrange for direct shipment of equipment to the Greek forces under the lease-lend system.

### President To Launch Scrap Rubber Drive

#### FUEL OIL ASSURED FOR CURING LEAF

Raleigh, June 12.—(AP)—The state's tobacco farmers were promised today that an adequate supply of fuel oil would be available for curing purposes this year.

The assurance was contained in a letter which W. A. Parker, secretary of the North Carolina Oil Jobbers' Association received from Senator Bailey.

### Jap Planes Shot Down

Allied headquarters, Australia, June 12.—(AP)—A four-motored Japanese flying boat and a fighter plane were bagged by allied fighters yesterday and another bombing of Rarua, New Britain, started large fires among warehouse buildings, it was announced today.

The flying boat was shot down at Rarua, said a communique from General Douglas MacArthur's headquarters. The fighter plane destroyed was one of four Zeroes which attempted to intercept a reconnaissance plane over New Guinea. No allied losses were mentioned.

From an advanced operational base came word that six survivors of two U. S. bomber crews shot down last shown more than two weeks ago had returned to front, bringing with them a group of nine refugees.

### NAZI PLANES RAID MURMANSK HARBOR

Berlin (From German broadcasts), June 12.—(AP)—German bombers attacked shipping in the harbor of Murmansk with good effect yesterday and interrupted traffic on the railroad line leading to that vital Arctic supply port to the Russians, DNB reported today.

Several bomb hits were scored in a supply train, the news agency said.

### Jap Losses 15-17 Ships In Battle

#### U. S. Aircraft Carrier Sunk in Final Action of Month-Long Engagement in Coral Sea; 92 Per Cent of Crew Saved.

(By The Associated Press) The Navy announced today a smashing United States victory over Japan in the battle of the Coral sea which cost the Japanese at least 15 and possibly 17 ships sunk and 20 damaged and frustrated the enemy from invading or isolating Australia, but which also cost the loss of the U. S. aircraft carrier Lexington.

The Navy communique said the only major United States loss was the Lexington, this country's biggest carrier and one of the world's fastest ships of its type.

Japanese losses included: Sunk — one aircraft carrier, three heavy cruisers, one light cruiser, two destroyers, several transports and small supply vessels.

Severely damaged and probably sunk — one cruiser, one destroyer.

Severely damaged — more than 20 ships, including one aircraft carrier, three cruisers, two aircraft tenders, three destroyers.

The Navy said the Lexington, built in 1925 at a cost of \$45,000,000 expanded and sank several hours after it had been attacked by Japanese aircraft.

The communique said 92 per cent of the Lexington's personnel (normally 2,300 men) was rescued.

Beside the Lexington, the only American losses were the 25,000-ton tanker Neosho and the destroyer Sims, 1,570 tons, most of whose crews were saved.

The enemy also suffered a loss of more than 100 airplanes, the Navy said.

It was the Coral sea fight, the first naval battle in history in which all the damage was inflicted by aircraft, that American forces broke up a big scale Japanese thrust aimed either at the key allied outpost of Port Moresby, New Guinea, or at invasion of Australia itself.

Altogether, the allied counter-offensive lasted a month through April into early May.

On May 8, the Lexington was made the main objective of Japanese aircraft which attacked while her own planes were absent.

"These attacks were the last action in the battle of the Coral sea," the Navy said, and gave this description of the heroic fight which the officers and crew of the great carrier put up in their desperate attempt to prevent her destruction.

"The crew of the Lexington succeeded in putting out the fires and recovering her aircraft. Several hours after the battle, while steaming at 20 knots, a terrific internal explosion rocked the Lexington, causing serious fires to break out in many parts of the ship.

### Five-Minute Radio Talk at 6:45 O'Clock Tonight to Open 16-Day Campaign for Collection of Vital Material.

Washington, June 12.—(AP)—President Roosevelt announced today an intensive campaign for collection of the nation's old scrap rubber supply would start June 15 and last through June 30.

Individuals were urged by the Chief Executive to search their basements, attics and back yards for all items of rubber that have been discarded or can be discarded.

Offices, factories and farms also are being asked to cooperate. Through arrangements with the oil industry, 400,000 filling stations will serve as collection depots. They will pay one cent a pound for the rubber brought in, and the government will reimburse them that sum.

President Roosevelt, declaring that the rubber situation was "extremely serious, again urged the people to cut down on pleasure driving and reduce both automobile speed and mileage.

He told a press conference he had no idea when a person with four tires might be able to get new ones. It may be a long, long time, he said. So, he added, it is a matter of common sense to make existing tires wear as long as possible.

Reporters noted that he had mentioned persons with four tires and inquired whether that meant that

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### ITALY ADMITS LOSS OF TWO NAVY BOATS

Rome, (From Italian Broadcast), June 12.—(AP)—The Italians announced today the loss of two torpedo boats, one sunk by allied torpedoes, and another by a floating mine.