



Reds Repulse Nazi Offensive

Solomons Area Flames With Continued Fighting

Sea Battle Is Reported In Kula Gulf

Sea and Air Forces Trade Heavy Blows Throughout Sector of South Pacific

Allied Headquarters in Australia, July 6—(AP)—The Solomons area of the Pacific offensive flamed with continued action both on the sea, where American warships daringly moved above the ground front into Kula Gulf, and in the air over newly seized Rendova island, the high command reported today.

A Navy communique from Washington Monday night indicated Japanese and American warships were in a battle in the Kula Gulf. The Tuesday noon communique from headquarters of General Douglas MacArthur made no reference to such a battle but did confirm an earlier announcement from Washington that United States warships in the gulf had shelled Japanese positions.

Even in the absence of reports that major forces were engaged, this new "battle of Kula Gulf" was regarded as of great significance, for it showed that the Japanese, felt compelled to accept the challenge and risk at least a part of their South Pacific fleet in an effort to check the American advance.

The situation appeared to be somewhat similar to that during the fighting for Guadalcanal last fall which culminated in the decisive battle of mid-November when American tank forces smashed a Japanese sea-borne drive to reconquer the island and thereby secured it for American occupancy. The Japanese strategy at that time was to use increasingly larger forces until the climactic action was joined.

Fires at the enemy air base of Vila, Kolombangara island, on the west side of Kula Gulf, and Bairoko anchorage, New Georgia, on the east side, were set both by the shells of the warships and bombs dropped by Mitchell medium bombers the night of July 4 and in the pre-dawn of July 5. Later, dive bombers dropped 1,000 pound bombs on Bairoko, which is above the menaced enemy air base of Rendova, also in New Georgia.

Over Rendova, which is within artillery shelling distance of Munda, the Japanese sent 40 Zeros yesterday in a continued effort to balk expansion of American action in that sector. Outnumbered United States fighter planes shot down two of the Zeros and dispersed the remainder, which, losing one plane, the pilot of which was saved. The Japanese now have lost 157 planes over Rendova in about daily skyfights, since the island was invaded June 30.

Treasury Eyes Incomes Upped By War

Washington, July 6—(AP)—Application of the principles of excess profit taxes to war-swollen incomes is under Treasury department study, officials said today.

Intended to avoid gross inequities and hardships that might arise from imposition of levies higher than this year's record rates, the plan probably will entail broadening the present system of basic exemptions to include consideration of "normal" income.

Thus John Doe, whose income rose from a peacetime normal of \$2,400 a year to \$4,800, would pay more taxes than Richard Roe, whose \$1,800 salary remained constant, even though both pay the same amount under present exemptions.

The idea still is in the hands of research experts whose problem is complicated by two factors: (1) the absence of historical background for such a system, and (2) the difficulty in determining the point at which income increases can be attributed directly to the war.

Treasury authorities emphasized it is only one phase of the department's continuing inquiry into the entire tax picture.

Jones Hits Back



Secretary of Commerce Jesse Jones (above) accuses Vice President Henry Wallace of unscrupulous tactics filled with "malice, innuendo, half-truths and no truth at all" in a lengthy denunciation of Wallace's charges of "obstructionist tactics" on the part of Jones' Reconstruction Finance Corporation.

Verbal Bout At New Peak

Wallace and Jones Renew Slugfest; President Roosevelt May Intervene

Washington, July 6—(AP)—Six-foot-two Jesse Jones, the administration's banker, and Vice President Henry Wallace, who out-wrestles soldiers at the Stage Door canteen, apparently were only warming up in their week-long verbal slugfest. Today, their appraisals of each other hit a new high in recrimination.

The latest explosion—over the policies of Wallace's board of economic warfare and Jones' Reconstruction Finance Corporation—widened the rift so far that perhaps only the firm and personal touch of President Roosevelt can heal it. His trouble shooter, James E. Byrnes, failed when he made an initial attempt.

Jones, accused by Wallace of holding up BEW's purchases of strategic war materials, opened up both barrels last night. He used 7,500 words to tell what he thinks of Wallace—none of it complimentary. In Wallace's absence, his second, M.H. Perkins of BEW, took up the cudgels and shot back that Jones and his RFC had acted like the added sleeper, Rip Van Winkle.

Jones addressed his remarks to the Senate appropriations committee. Perkins replied in a letter to the same group.

There was prompt reaction in the Senate. Senator Bridges, Republican of New Hampshire, declared he was renewing his demand for an investigation of the exchange, to be handled by the military affairs committee.

"Congress ought to find out who is right," he said.

Stock Buyers Are Wary

New York, July 6—(AP)—Buyers were wary in today's stock market. Prices were irregularly upward at the start in early lively dealings. The pace slowed at intervals and, near the fourth hour, variations either way of fractions to a point or so ruled.

Prominent on the gaining side were Pepsi-Cola, U. S. Steel, Chrysler, Standard Oil of N. J., Woolworth, Allied Chemical and Eastman Kodak. Backward at intervals were Anaconda, Goodrich, United Aircraft and Montgomery Ward.

Bonds were steady. Commodities pushed up in the morning but the swing was eventually stemmed.

Heavy Damage Inflicted On Japanese Naval Units In Battle Of Kula Gulf

Newspapers Cut Again

Washington, July 6—(AP)—The war production board today ordered newspaper publishers to reduce further their consumption of newsprint during 1943's third quarter. The cut ranges up to 5 per cent for large users.

The additional 5 per cent reduction does not apply to the first 20 tons for newspapers using less than 500 tons a quarter. This provision, WPA said, is designed to aid the operation of smaller newspapers.

Last December 31 newspapers were limited each quarter to 100 per cent of the tonnage of paper used in printing their net paid circulation during the corresponding quarter of 1941, plus a 3 per cent allowance for production waste. It was estimated at that time this requirement meant an overall reduction in current newspaper consumption of about 10 per cent.

Allies Raid Continent

Large Air Force Roars Over Channel in Daylight; Nazis Report Night Raids

London, July 6—(AP)—Allied planes, including many squadrons of fighters, roared over the channel toward the French coast in brilliant sunshine this morning as a Berlin broadcast was reporting raid on Germany last night by British bombers.

There were no immediate British announcements concerning any night activities on the coast, but the Berlin broadcast, recorded by the Associated Press, said enemy planes had carried out "missile raids over western and northern Germany."

The daylight squadrons, flying high in weather so clear the French shoreline was easily seen from the British side of Dover strait, were observed heading for the area between Boulogne and Calais.

During the night an RAF plane damaged an armed vessel of about 500 tons in a low level attack off the Dutch coast, the air ministry news service said.

U. S. Army headquarters announced, meanwhile, that photographs had disclosed "satellite" reactors in the Sunday bombing of the Gnome-Rhone factory at Le Mans, France, by eighth air force bombers.

The announcement said a considerable portion of the main buildings at the Le Mans factory was damaged.

OPA RAISES PRICES ON CANNED GREENS

Washington, July 6—(AP)—New prices for canned asparagus, mustard greens and turnip greens were set by the Office of Price Administration (OPA) today.

This was the last of a series of orders covering the various kinds of vegetables in the 1943 pack.

With allowances for increased labor and material costs, the new regulation will eventually increase retail prices of a number two can of asparagus by four cents and the same size can of mustard and turnip greens an average of 1 1/2 cents. Allowance was also made for adding on the cost of evaporated spinach at 4 1/2 per cent increase in wages.

Today's order applied specifically to prices that canneries may charge, but these prices automatically determine ultimate retail prices under OPA's pricing formulas.

WEATHER FOR NORTH CAROLINA

Continued warm tonight, scattered thundershowers in mountains late this afternoon or early tonight.

American Destroyer Surk Sunday Night; Details of Battle Are Still Lacking

Washington, July 6—(AP)—The Navy reported today that on the basis of incomplete information United States naval forces apparently had caused the Japanese very heavy damage in the battle of Kula Gulf.

Details of the action, fought yesterday (Solomon Islands time) and apparently still over now, still were lacking, but there was no disposition in authoritative quarters here to consider it as a major encounter with decisive bearing on the Solomons campaign.

The impression prevailed rather that it was an action between fairly light surface forces of cruisers and destroyers. Whether bombing planes participated was not known.

A Navy communique said that sufficient details have not been received to give the results of this engagement, but it is believed that, while some damage was suffered by the United States force, considerable damage was inflicted on the enemy.

At the same time the Navy announced that the United States destroyer Strong was torpedoed and sunk Sunday night while engaged in a previously announced bombardment of Japanese installations at Vila and Bairoko on Kula Gulf, which lies between New Georgia island and Kolombangara island in the Milne harbor area.

The naval engagement, first announced last night, followed that bombardment.

The 2,100-ton destroyer Strong, commissioned only last year, carried a normal complement of about 250 men. She was an exceptionally large vessel. She was commanded by Commander Joseph Harold Welles of East Boston, Mass. Whether he survived was not reported nor was any estimate given of the loss of life.

Car Shortage Slows Digging Of Potatoes

Norfolk, Va., July 6—(AP)—After appeals from county farm agents and government agents to slow up on potato digging had failed on deaf ears of the majority of growers in eastern North Carolina and the Norfolk area of Virginia, a scarcity of rail cars is accomplishing the purpose this week.

Only two cars of Virginia potatoes were purchased by the war food administration here yesterday, and the number was comparatively small in North Carolina also, purchasers reported today.

This enforced slowing up of digging in the section will do more than anything else to improve the crop, WFA spokesmen declared.

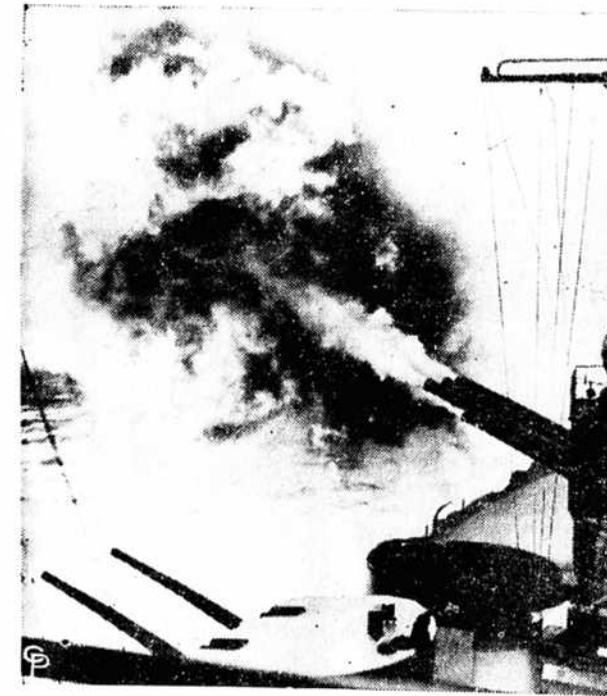
Although government demands and other defense requirements have resulted in the slow movement of railroad cars into the potato area, the situation is improved today over the past few days, Norfolk Southern railroad officials said. They predicted that adequate facilities for getting all crops out would be available.

FARM INDEBTEDNESS NOW AT 25-YEAR LOW

College Station, Raleigh, July 6—Increased mortgage payments by farmers have reduced the total farm mortgage indebtedness of the United States to the lowest point in 25 years, said John W. Goodman, assistant director of Extension at State College here today and he advised North Carolina growers to further reduce their debt commitments.

He reported that during the first part of 1943 demands for home purchase farms showed a continued decline in the Federal Land Bank system and that other mortgage lending was a similar trend.

AS BATTLEWAGONS SHELLED ATTU



A MOMENT OFF ATTU is pictured here, with the 14-inch guns of a U. S. battleship blazing away in the three-hour bombardment that preceded our landing on the Aleutian island. The big ships stood offshore till the Army was ready. Official U. S. Navy photo. (International)

Paralyzing Blows Struck At Axis Outpost Islands

Few Deaths Over Holiday

(By The Associated Press) A nation forced to stay put to a large extent, over the three-day July Fourth holiday weekend discovered today that wartime curtailment of highway travel saved scores of lives.

Thousands of Americans had to forego motor trips to favorite fishing spots or back to Uncle Jim's farm, but many were alive and whole to tell about being a wartime hombody instead of being received at a morgue or a hospital.

True an Associated Press survey showed that at least 250 deaths occurred over the weekend, but only 127 of these were traffic fatalities. There were 73 drownings and 57 deaths from miscellaneous causes. Forty-one states and the District of Columbia reported fatalities.

This year not a single fire-works death was reported.

Holiday Death Toll Is Small

(By The Associated Press) Americans celebrated the three-day July 4th week-end without a single fatality from fireworks and deaths from traffic accidents falling to the smallest number in recent years. Total fatalities reported up to last night were well under 300.

Violent deaths from all causes in the United States, according to an Associated Press survey, totaled 248. This consisted of 110 fatalities from traffic accidents; 67 from drownings and 71 from miscellaneous causes. Last year the toll of traffic deaths alone was 320 and in 1941 it was 500.

Gasoline rationing, war work and the ban on fireworks sales in many states were credited for reducing fatalities.

North Carolina's fatality list included five from traffic accidents and two from drownings.

NORTH CAROLINIANS PRISONERS OF WAR

Washington, July 6—(AP)—The War Department made public today the names of 264 U. S. soldiers who are held as prisoners of war by the enemy—136 by Italy and 128 by Japan.

These included Italy captured: Colonel James D. Harrell, Miss Dutche Harrell, wife, St. Paul, Miss Captain Ben K. Humphrey, Mrs. Lois Helmerz Humphrey, wife, Fayetteville.

Heavy Loss Is Inflicted On Germans

Assault Continued on 165-Mile Front Despite Nazi Failure to Penetrate Lines

Moscow, July 6—(AP)—Victorious German thrusts by armored divisions and infantry have been flung back with heavy losses all along the 165-mile central front from Orël to Belgorod, the Russians reported today as the long expected Nazi summer offensive moved into its second day.

Despite terrific destruction to their armored units, amounting in some cases to as high as 50 per cent of total attacking strength, the Nazi army kept holding into the heavily defended positions. In only isolated sectors, however, have they managed to penetrate the defense lines. Red army leaders said.

The Russian midnight communique said that in the initial hours of the battle Red army units destroyed 330 tanks and 203 planes.

The mid-day communique reported an additional 152 tanks were knocked out of the fight, including a number of the new 60-ton Tiger tanks. In one sector alone in the Orël-Kursk area, the bulletin said, Soviet troops destroyed 50 out of a German unit of 100 tanks. The communique also reported 4,000 Germans had been slain in this area and 2,000 more in one sector of the Belgorod front.

The German communique reported heavy fighting in the Belgorod and Kursk areas and declared it grew out of "a successful local attack by German infantry" in the Belgorod sector followed by "strong Soviet counterattacks."

The fighting has spread to the area south of Kursk and is "assuming even greater violence," said the communique broadcast by Berlin and relayed by the Associated Press.

Meanwhile, dispatches reaching Moscow from the front told of the start of the battle had after dawn yesterday.

The front-line reports said, used classic tactics of smashing artillery barrages coupled with heavy air bombardment designed to destroy Russian men and guns and blast a path through the Russian line for the German infantry and armored divisions.

The Germans were firing with everything they had—long range batteries, medium range cannon, howitzers, multiple barreled mortars and even short range weapons were rolled out before the German front line.

Russian batteries countered with withering fire and as the artillery shells whizzed by, German aircraft targeted various structures such as suddenly exploding targets—in an effort to destroy the Russian troops. The victory was noted and Soviet artillery succeeded in silencing a number of German batteries, the Russians said.

Vacation Trips On 'A' Cards To Be Allowed

Washington, July 6—(AP)—Representative Harley, Republican of New Jersey, said today the office of peace administration had agreed to relax gasoline restrictions in the twelve eastern states to permit vacation trips by "A" card holders after July 15.

Harley, chairman of the eastern conference of congressmen and senators which has been pressing for some relief from the regulations which have limited automobile driving in the eastern area, said the relaxation was agreed to by OPA director Douglas M. Brown after several days' discussion of the problem.

The New Jersey representative told reporters that under a new order to be announced shortly, vacation trips by "A" card holders to the seashore for a week, or two weeks or a season, for the purpose of visiting a relative, or one similar trip will be permitted.

Flying Fortresses Down 30 Nazi Planes; Italian Air Bases Heavily Bombed

Allied Headquarters in North Africa, July 6—(AP)—Allied air forces, spearheaded by U. S. Flying Fortresses which shot down 30 German fighters, struck paralyzing blows at Axis resistance yesterday in battles for air supremacy over Sicily and Sardinia, it was announced today.

The smashing aerial offensive against the Italian outpost islands went through its third straight day with bombers roaring over Gerano, Marsala, Lercara, Sciacca and Catania in Sicily and Valfacchio in Sardinia, all of them bases for the descending axis aerial fleet.

In 24 hours ending yesterday, 42 enemy planes were shot down against a loss of twelve allied planes, it was stated officially.

More than 60 Liberators, bombers based in the Middle East joined in the devastating raids, striking Messina in Sicily with nearly 375,000 pounds of bombs, a communique of the U. S. ninth air force declared.

Hits blanketing the axis terrain installations in Messina "caused extensive damage," the communique said, and bombs were laid on railway tracks, a warehouse, a warehouse, freight yards, oil tanks and barracks by the Liberators, striking in three waves. One string of bombs "fell across the Lancia road."

The Liberators downed three enemy planes and returned without loss themselves.

Cotton Prices Are Mixed

New York, July 6—(AP)—Cotton futures opened unchanged to 10 cents a bale higher.

Next prices were 25 cents a bale higher to 10 cents lower, July 1944, October 1944 and December 1944.

Parolees granted to nine prisoners. Raleigh, July 6—(AP)—Three parolees, convicted of second degree murder and another convicted of manslaughter were among the nine parolees paroled today by Governor Brantley.

Those listed included: Thelma Wilcox, convicted in Wilson in 1942 of assault with a deadly weapon and sentenced to twelve months.