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British Tanks Strike Rear of Axis Army

AVG Flying Tigers To Join US Army, Review 7 Months

By WILLIAM MCGAFFIN

CHUNGKING, Friday, July 3—(AP)—As the Flying Tigers of the American Volunteer group prepare to join wings with the regular American army air forces in China Saturday, an official review of seven months of AVG operations disclosed Friday that 284 Japanese planes were destroyed at a cost of only 15 men killed or missing in action.

Besides this list of confirmed victories, the review said there were "almost as many more probables" which were not claimed because of lack of eye-witness verification.

Nine AVG pilots were accidentally killed, making a total loss of 24 out of 250 making up the group.

The record of few against many is one of the most spectacular in aerial history, and the review expressed belief that it has resulted in "demoralization of the Japanese air force in China."

The highest toll for a single day was 23 Japanese planes positively shot down over Rangoon on Christmas and many more shot down at sea and unconfirmed.

The Japanese had announced the raid in advance by radio, but it was broken up by AVG pilots who were furious at the machine-gunning of one of their buddies as he bailed out of a damaged plane December 23.

The Japanese tried again the day after Christmas, and the AVG and the RAF together had 24 confirmed victories.

The highest total individual score during the life of the AVG was 16 Japanese planes destroyed by Squadron Leader R. H. Neale of Seattle.

He and nine others accounted for 106 of the 284 confirmed victories.

Although it was not mentioned in the review, pilots disclosed they received bonuses of \$500 (American) for each plane destroyed, plus monthly salaries of \$600 to \$700.

The review commented that the Japanese would be disappointed to learn that Claire Chennault, who organized the AVG at the invitation of Generalissimo Chiang Kai-Shek, has accepted appointment as a brigadier-general in the United States army air forces and will continue in command of the air unit in China.

Some of the AVG men are returning home to join the American services, but the majority are remaining in China and will be inducted formally into top ranks of the growing United States aerial forces, the review said.

The many AVG men who were awarded decorations included ground crew chief Harry E. Fox of Coronado, Calif., decorated by China and recommended by the British for the Order of the British Empire.

Attacked by a Japanese plane at low level while he was repairing a plane at Rangoon, he paused in his task only long enough to throw a wrench at the Japanese fighter.

Eight of the pilots, whose names were not disclosed, were recommended for the British Distinguished Flying Cross.

Besides aerial combat, the AVG went on numerous bombing and strafing expeditions. Among the more spectacular of these was the destruction of 15 Japanese planes at Moulmein by two pilots who were out on reconnaissance. Both pilots returned unhurt, but their planes were shot almost to shreds.

Another such excursion was made against Hanoi, French Indo-China, where five AVG men wrought havoc at a Japanese airbase after a 400-mile flight across the mountains. One pilot dropped a bomb through the roof of the Japanese administration building, just as he had said he intended to do.

It was only due to the AVG bombing and strafing on the Salween front in Burma that the Chinese were able to consolidate their positions and halt a Japanese advance after an unexpected break-through, the review continued.

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Oregon Gets 1328 Bicycles As Ration Opens on July 9

WASHINGTON, July 2—(AP)—Rationing of bicycles will start July 9 and 230,000 will be released between that date and the end of August, the office of price administration announced Thursday night.

State quotas were issued based on last year's bicycle sales, the state-by-state demand for new passenger cars, and the concentration of war industries in each area. County quotas will be allotted by the state directors.

OPA also announced the classes of users who will be eligible to obtain bicycle purchase certificates through application on or after July 9 to local ration boards. Broadly, eligibility is confined to those "engaged in a gainful occupation or in work which contributes to the war effort or to the public welfare."

In addition, the applicant must show that a bicycle is required because of the nature of his work, or because he must walk at least three miles or spend upwards of one or one-half hours getting to work; or because overcrowded transportation facilities or other circumstances make the use of a bicycle necessary.

Of the total to be released between July 9 and August 31, 180,000 bicycles were allotted among the states and the District of Columbia. States have been assigned reserves totaling 20,000 for adjustment of county quotas, and a national reserve of 30,000 has been set up for adjustment of state quotas.

The 230,000 total is almost the entire stock of bicycles in the country, estimated at 240,000.

Among the state's quotas announced Thursday, with the state reserves, respectively, were:

- California 15,814 and 1,626;
- Idaho 384 and 46;
- Montana 416 and 46;
- Oregon 1328 and 158;
- Washington 3072 and 360.

Sprague Slates Talk Over Radio on '4th'

Gov. Charles A. Sprague will give a Fourth of July address Saturday noon over a statewide radio network, he announced Thursday. He will speak from his office in the state capitol building.

The governor said he would discuss civilian defense, the war and the recent conference of governors which he attended at Asheville, N.C.

Our Senators

Won 7-1 (Home Tonight)

Crimean Fighting In Street

Axis Hit Anew Near Belgorod, Kursk, Kalinin

By HENRY C. CASSIDY

MOSCOW, Friday, July 3—(AP)—The Russians announced early Friday that red army soldiers and sailors were fighting hand-to-hand with the German invaders of Sevastopol on the outskirts of that Crimean seaport—long after the Germans claimed its fall—while far to the north the nazis began a new drive in the Belgorod-Volchansk sector north of Kharkov.

The midnight communique, the third since the Germans announced Sevastopol fell Wednesday noon, told of the continuing savage bayonet fight amid the ruins of the Black sea fortress.

Press dispatches said the heroic defenders were taking thousands of German lives in the savage fight, but the Germans were said to have 15 times as many men engaged in the struggle.

Russian tankmen were reported locking in a continuing bloody battle in the Kursk sector, 300 miles south of Moscow, but the nazis

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Churchill Wins Commons' Vote

25 Refuse Support; Dark War Picture Painted of Egypt

By DREW MIDDLETON

LONDON, July 2—(AP)—Prime Minister Churchill Thursday beat down with a 475 to 25 vote of confidence the severest challenge yet made in the house of commons against his leadership, but he left with the British a dark picture of near disaster in the middle east, alleviated only by news that "very considerable" reinforcements were pouring into the battle of Egypt.

Churchill plainly showed that his mind was in the field of action in Egypt rather than in the debate and bluntly told commons: "At any moment we may receive news of grave importance."

He did not elaborate on what that might be nor did he tell the house more about the reinforcement he said had reached the embattled eighth army in Egypt or was approaching it.

The battle of Egypt, the prime minister said, had developed "a recession of our hopes and prospects in the middle east and Mediterranean unequalled since the fall of France."

A great cheer arose from the commons benches when the vote was announced and Churchill promptly went back to work, flashing the "V-for-Victory" signal with his fingers.

The census motion which the house refused to approve was the first introduced against Churchill's government since it assumed power May 10, 1940, at the beginning of the lowlands invasion by Germany.

It was put before commons by conservative-rebel Sir John Wardlaw-Milne.

Previous votes of confidence have been moved by Churchill's own government challenging its critics. The latest of these was the 464 to one vote of last January 29.

The vote Thursday left 115 of the house's 615 members not accounted for. However, less than

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Blaze Ruins Canada Town

PRINCE RUPERT, BC, July 2.—(CP)—Fears were expressed by residents Thursday night that a forest fire which destroyed the once-prosperous mining town of Anyox, BC, and forced its entire population of 32 residents to flee, would spread to the little town of Alice Arm, 18 miles distant, a settlement of 100.

Anyox is 90 miles north of here on Observatory inlet.

The fire was estimated to cover an area 25 miles square.

Field Guns Roar at Matruh



British artillerymen (above) feed their gun under heavy enemy shellfire outside Matruh, Egyptian coastal stronghold which a few days ago was captured by the British by Field Marshal Rommel's axis columns. Similar equipment is now backed up in defense of Alexandria and the Suez canal. This picture was sent by radio from Cairo to New York and by airmail to The Statesman. (Associated Press Telemat.)

Stephan Convicted of Treason; Army Halts Panama Spy Ring

First in US For Aiding Peter Krug

DETROIT, July 2—(AP)—Stolid and as devoid of expression as he had remained through three days of trial, Max Stephan, German-born Detroit restaurant owner, Thursday night heard a jury convict him of the highest crime in the land—treason.

Reporting to a hushed and jammed courtroom at 3:35 p. m., the six men and six women jurors brought in their verdict just 83 minutes after receiving the case from Federal Judge Arthur J. Tuttle.

Government Attorney John W. Babcock said it was the first conviction for treason in the history of the United States.

Stephan was accused of 12 overt acts of assistance to a fleeing Nazi prisoner of war, Oberleutnant Hans Peter Krug.

Judge Tuttle said he would pronounce sentence "very shortly" when he had completed his normal procedure of gathering character reports on Stephan from probation officers.

The maximum penalty for treason is death; the minimum is five years imprisonment or \$10,000 fine, or both.

Postmaster Place Open

WASHINGTON, July 2—(AP)—Applications for the postmastership at Salem, Ore., will be received until the close of business July 21, the civil service commission announced Thursday. Names of applicants will be announced later, probably on July 23.

Crawford Will Retire Here; Applications Taken Until July 21

WASHINGTON, July 2—(AP)—The eight—Ernest Peter Burger, George John Dasch, Herbert Hans Haupt, Henry Harm Heinek, Edward John Kerling, Hermann Otto Neulauer, Richard Quirin and Werner Thiel—were arrested in various parts of the country by the FBI.

Wednesday's Weather

Wednesday's max. temp. 101, min. 64. Thursday river, -4 ft. By army request, weather forecasts withheld and temperature data delayed.

Military Body Named to Try Eight Nazis

WASHINGTON, July 2—(AP)—President Roosevelt Thursday ordered a military trial for the eight men accused of coming to this country in Nazi U-boats to sabotage the war effort. The prosecution is expected to ask the death penalty.

At the same time, Mr. Roosevelt issued a proclamation denying them, and all persons who enter the country for the purpose of espionage or sabotage, the right of access to the civil courts.

To try the men, Mr. Roosevelt created a military commission consisting of Major Generals Frank R. McCoy, Walter S. Grant, Blanton Winship and Lorenzo D. Gasser, the Brigadier General Guy V. Henry, John T. Lewis and John T. Kennedy.

The trial is to begin as soon after July 8 as is practicable, is to be held privately in Washington and the prosecution is to be conducted by the Attorney General and the judge advocate general. Col. Cassius M. Dowell and Col. Kenneth Rozall were appointed to defense counsel.

The procedure established differs materially from a court martial. The latter form of trial is usually used to try officers and men accused of misconduct and to try military prisoners. The military commission method has few precedents, but it has generally been associated with the trial of civilians.

There is no appeal from the decision of a military commission or court martial, although the secretary of war reviews the findings of a court martial automatically. And in this case, Mr. Roosevelt directed that a record of the trial including "judgment or sentence" be transmitted to him.

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Ring in Jungle Fueled Axis Submarines

PANAMA CANAL ZONE, July 2—(AP)—A Nazi jungle spy leader, "the king of Belize," who masqueraded as a businessman, and 19 other persons paid to fuel axis submarines and spot allied shipping targets in the Caribbean were declared under arrest Thursday through the work of a US army agent who survived fiction-like plots to poison him and sabotage his plane.

The 20 alleged spies, seized from Panama to British Honduras, included night club hostesses, trusted Canal Zone workers and shipping employes, Lieut.-Gen. Frank Andrews, Caribbean defense commander, announced in disclosing the ramified plot.

General Andrews predicted other spy rings might be established by the axis in his zone where so many ships have been sunk, but promised that they, too, would be smashed.

Here's the story of the anonymous US army counter-espionage agent who did such valuable work in tracking down the spy network:

A US air patrol cruising over the Caribbean last March spotted a ship carrying oil drums. The ship, identified as the La Plata, was traced to Belize, British Honduras, where the key-studded coastline is ideal for submarine lairs.

Early in April army intelligence officers learned that the La Plata was to sail again from Cristobal for British Honduras. Several persons were arrested ostensibly for evading censorship regulations.

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Canada Also Joins in Fight to Lessen U-Boat Menace

WASHINGTON, July 2—(AP)—The United Nations high command has thrown the full force of available allied seapower into the fight to smash Adolf Hitler's U-boat offensive, the navy department disclosed Thursday night with an announcement that British and Canadian warships were cruising side by side with US vessels in the battle of the Atlantic.

Allied corvettes, destroyers and other fully-equipped "anti-submarine vessels" are at work both on the distant high seas and in the campaign against submarines operating along our eastern seaboard, the official statement revealed.

Observers considered it probable that the destroyers sent over here might include some of those remaining to the British out of the 50 American four-stackers traded to them two years ago, but there was no official information on this point.

The announcement did make it

Nurses Back From Bataan

AN EASTERN PORT, July 2—(AP)—An army nurse told Thursday how Japanese dive bombers failed to dampen Yankee humor in the darkest hours of the battle of the Philippines.

Remarkable on the scarcity of food in the last days of Corregidor, Second Lieut. Ruth Marie Straub, who returned recently with nine other army nurses, said:

"We all ate mule meat and we were all glad to get it. One night when a soldier was eating dinner his buddy hollered, 'Whoa' and the meat stopped in his throat."

A favorite song of both nurses and men after dinner, she said, was "The Old Gray Mare, She Ain't What She Used to Be."

Lieut. Straub, who has been an army nurse for 5½ years and served both at Bataan and Corregidor, left Corregidor 48 hours before the Japanese took the island stronghold.

Besides a shortage of food the men in the Philippines had a scarcity of medicines, particularly quinine, she said. She added that there are still many army nurses in the islands.

Miss Anne Bernattus of Pittston, Pa., a navy nurse also with the group, said she was the only navy nurse to escape from Bataan and Corregidor. She has been a navy nurse for 5½ years but was assigned to the army for six months.

Miss Bernattus, who holds the rank of ensign, attributed her escape to luck but was reluctant to discuss her siege experiences beyond saying:

"There was lots of excitement."

PORTLAND, July 2—(AP)—Wednesday was the hottest June day ever recorded here with the mercury soaring to 105 degrees, the weather bureau announced Thursday night after the required 24-hour censorship lapse.

Tuesday's 102 broke the June record of 101 which had stood since 1925.

Surprise Move Comes as Allies Are Reinforced

Battle Rages Inconclusively; British Flanker Puts Sun In Eyes of Enemy Troops

By EDWARD KENNEDY

CAIRO, Egypt, July 2—(AP)—Reinforced British tanks and artillery struck with full fury late Thursday at the rear of the axis army in a carefully planned maneuver to counter the armored assault of Field Marshal Erwin Rommel upon the main British positions defending Egypt and the middle east.

The inconclusive battle raged into the night. The decision, upon which apparently rests the fate of British and allied power in the eastern Mediterranean, might not come for a day or two.

British Ships In US Patrol

Picking his favorite time for a fight, Rommel hurled his armored legions upon the British at El Alamein, 60 miles west of Alexandria, when the sun would be full in the allied eyes.

At that time, the British sent tanks and artillery pounding against his rear by way of his right flank.

With this surprise move the enemy, too, was forced to fight with the glare of the sun in his eyes.

Both sides have thrown everything available in the region into the struggle, which is the climax of the axis offensive of the past weeks.

The importance of the battle

HAIFA, Palestine, July 2—(AP)—This important British port at the eastern end of the Mediterranean had an air raid alarm Thursday afternoon, and anti-aircraft defenses went into action.

Haifa, a port to which the British fleet may come in force in event Alexandria is evacuated, had a light raid Wednesday.

was recognized here. The enemy will take Egypt or be destroyed. The allied troops will save Egypt or be destroyed.

There is scant chance of either side turning back now.

The reinforcements of both men and material that are reaching the allied lines are beginning to show a marked effect, it was said here.

The British are rushing up 25-pound cannon and a new anti-tank six-pounder which are hammering away with a great gusto and determination and have proved an excellent deterrent to the German tanks.

The defenders of Egypt repulsed a heavy attack of enemy tanks and truck-borne infantry upon El Alamein Wednesday night.

Axis tanks broke through at one point but were engaged and hurled back.

Farther south, along the rim of the Quattara salt marshes, allied units took the offensive against the enemy column.

The struggle, which had subsided somewhat in the night, began again Thursday morning, with the main blow of the axis coming Thursday afternoon.

Enemy fighter activity increased somewhat but the allied air force retained mastery of the skies and struck heavily at the invaders.

The management of the cannery indicated operations were proceeding "as usual."

Pickets who on Wednesday, first day of a strike called by a group of plant workers who said they wanted slightly higher wages, the shop steward system and changes in working conditions, were banners reading, simply, "Unfair to Thursday carried others bearing the inscription, "Unfair to Cannery—A F of L-Workers."

Picketing of the Paulus Bros. cannery at Trade and High streets spread to at least one of the firm's warehouses Thursday but with little apparent effect on operations.

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