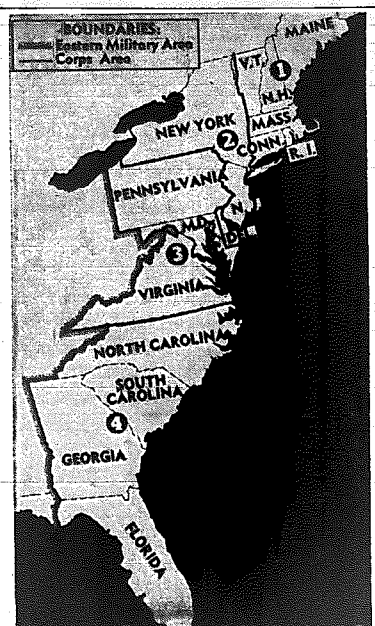


REDS PRESS GAZETTE IN KHARKOV

BRITISH HIT NAZI CRUISER PRINZ EUGEN



NEW EASTERN MILITARY ZONE—Map shows area designated as the Eastern Military Zone by Lieut. Gen. Hugh A. Drum, commanding general of the Eastern Defense Command and First Army, primarily for "effective control of artificial lighting" as a defensive move against enemy submarines and raiders.

U. S. Troops Go In Panama Areas

American Forces Will Develop Defenses in Country

WASHINGTON.—(AP)—The United States and the Republic of Panama signed a treaty at Panama today covering the use of defense areas in the republic by armed forces of the United States, which already have occupied them.

Australian Stand Given

Says Dependence Had To Be Put in U. S.

SYDNEY, Australia.—(AP)—Prime Minister John Curtin declared in an address today that while Australia retained "the most serious devotion to the British Empire," he had been forced "to appeal directly to the United States because of the circumstances in which Britain was placed."

Report From Germany

Nazi Morale Slips--But No Real Collapse Is Yet In The Cards

(Editor's Note: Edwin A. Shankle, who gives this view of inside Germany, is a member of the former Berlin bureau of the Associated Press, who has arrived in Lisbon from internment at Bad Nauheim with United States citizens being exchanged for Axis nationals.)

By EDWIN A. SHANKLE
LIBSON.—(AP)—German civilian morale is slipping. But that doesn't mean that Nazism is near internal collapse or that revolution is just around the corner.

Air Force Catches Up With Tricky War Vessel

Grave Damage Apparently Done

LONDON.—(AP)—The British Air Force, which has been playing a deadly game of hide and seek with the 10,000-ton German cruiser Prinz Eugen for more than three months, caught up with the elusive warship off southern Norway last night and engaged her in a running fight in which she apparently was gravely damaged, the Air Ministry announced today.

Two "definite" torpedo hits and one "probable" hit were made on the Prinz Eugen in the attack off Lister, on the southwest coast of Norway, the Air Ministry said.

American-made Hudson bombers also attacked with explosive and incendiary bombs, and according to reports, the raked the four escorting destroyers with machine-gun fire.

The Prinz Eugen, it was stated, had been seen in exercises in Trondheim Fjord Saturday.

First reports of the engagement indicate that aerial torpedoes hits were scored on the Prinz Eugen, which evidently was trying to slip through German mine fields in her refuge at Trondheim, where she has been hiding out after being damaged by a British submarine, a communiqué said.

The Air Ministry reported that the Prinz Eugen was attacked by four destroyers and a swarm of German fighter planes, which apparently tried desperately to ward off the British attack.

STRAFE DECKS

The British planes strafed the decks of the destroyers with cannon and shot down five of the Nazi fighters, the Ministry said, but it acknowledged that four British planes failed to return from the combat.

The size of the attacking British aerial force was indicated by the Ministry, which included Beaufort torpedo-carrying planes, Hudson bombers, American fighters and Navy fighters.

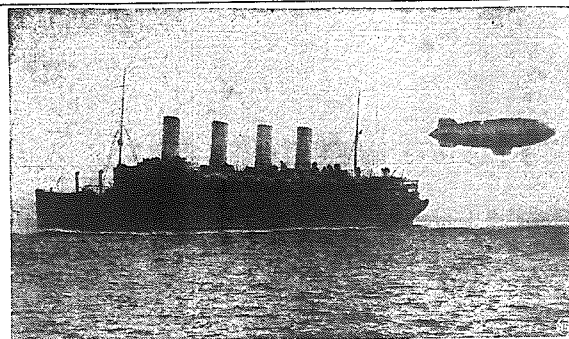
Both the Royal Navy and the Air Force have been lying in wait for the Prinz Eugen to venture from her Norwegian refuge ever since she made a daring dash through the English Channel last February in company with the battleships Scharnhorst and Gneisenau.

The Admiralty, announcing on May 3 that the Scharnhorst and Gneisenau were heavily damaged and would be out of action for many months, said the part of the Prinz Eugen, which had considerable repair.

Naval sources at the same time said this meant "a dockyard job and there are no such facilities at Trondheim. She probably will have to be put up in Germany and taken to Germany for repairs."

The German High Command, declaring the attack, said the Prinz Eugen was unsuccessful, reported British planes were shot down in the battle which it placed in "the Northern North Sea."

CHECK THE WANT ADS for many more opportunities advertised every day. Phone 1-5033 to place a Want Ad.



BLIMP — Hovering protectively over a U. S. troopship, somewhere on the Atlantic, Navy blimp helps guard convoy carrying troops and supplies bound for one of the United Nations' many battlefronts. (Passed by censor.)

RAF Makes Wide Raids

German-Held Channel Shore Blasted

LONDON.—(AP)—The German-held shore of the English Channel was held under repeated attack today as the RAF sent over daylight raiders for the second day on the heels of a pre-dawn attack in which British planes hammered targets from Dunkerque to Boulogne for more than two hours.

Shortly before noon, a formation of five heavy bombers, led by a Lancaster, attacked from Calais and later returned from the direction of Boulogne.

Identified as the English coast, heard heavy explosions similar in power to those heard yesterday when the British engaged in some of their biggest sweeps of the year.

During the night, German air defenses in Holland were sprayed with high explosives and incendiaries by a squadron of Canadian fighters.

Meanwhile, the Air Ministry said, yesterday's raiders ran into their first real opposition in several weeks, hundreds of fighters battling for control of the sky over northern France.

German planes and eight British fighters were reported destroyed.

Meantime, the Air Ministry said that as a result of the pulverizing British raids last month on the German Baltic city of Rostock, there had been a "complete stoppage of all war supplies."

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16 Allied Ships Sunk in Week

NEW YORK.—(AP)—Enemy submarines were credited last week with sinking sixteen United Nations vessels to the bottom in the Western Atlantic Ocean for a total of 191 Allied sinkings in that area.

The Navy announced casually last week that the sinking of survivors at 470, and the Navy reported that of three other merchantmen attacked but not sunk during the week of May 11-17 had been towed to port, heavily damaged but still afloat.

Victims of the U. S. Fast Coast boosted the total there: two in the Gulf of Mexico and one in the Caribbean made 26; two in the Gulf of Mexico and one in the Caribbean made 26; two in the Gulf of Mexico and one in the Caribbean made 26.

Yet, with Italy propped up by Germany, virtually occupied by Axis, and with no sign of effective opposition to Fascism, neither an Italian collapse nor a food shortage nor an economic breakdown seems imminent.

But the elements are lacking to end the country the Italians' deep-

Clear Japs From Bank Of Salween

Chinese Action Indicates Threat To Burma Road City Removed

CHUNGKING.—(AP)—The western bank of the Salween River northeast of Lanchow in Yunnan Province has been cleared of Japanese, a Chinese communiqué said today, indicating that an enemy threat to the important Burma Road city of Paoshan had been removed.

The Chinese were reported advancing in this region, threatening the Chinese who had driven to the Salween along the Burma Road.

Another Japanese force advancing northward between the Salween and Mekong Rivers in the eastern Shan states of Burma, some 250 miles south of Yunnan battlefields, was said to have repulsed its attacks after twice being repulsed by the Chinese.

BRITISH WITHDRAW

British dispatches relayed here indicated the British forces at the western side of Burma were withdrawing slowly in the Chinthein River Valley, and the main body was said to be within twenty miles of the eastern Indian province of Assam.

Fresh British troops of Gen. Sir Archibald F. Wavell, Indian Commander in Chief, were replacing the three units of Gen. Harold Alexander's forces as they streamed across the rugged, mountainous frontier.

The Chungking communiqué reported further progress for the large-scale campaign the Japanese launched last week in the west coast province of Chekiang, south of Shanghai.

It said that the Japanese column which is driving southward along the railway from Shanghai, just across the Chinghai River from Hangchow, provincial capital, reached a point near Chinghai, 35 miles south of the river.

The Chekiang offensive is believed intended to prevent use of railways in that province from which raids—perhaps by United States planes—on Japan's homeland and

Fascists' War With America

Very Unpopular, AP Man Reveals

By RICHARD G. MASSOCK
LIBSON.—(AP)—Italy is an ally of questionable value, a Hungarry land with no love for its war partners, rife with deflation and disillusion, ridden with hardship and unrest.

Italy's war with the United States is clearly unpopular. In fact, Americans who languished in Italy for five months since Benito Mussolini sent Italy into war with the United States believe that declaration dealt his home front a stunning blow.

Yet, with Italy propped up by Germany, virtually occupied by Axis, and with no sign of effective opposition to Fascism, neither an Italian collapse nor a food shortage nor an economic breakdown seems imminent.

But the elements are lacking to end the country the Italians' deep-

Nazis Strive Desperately To Stop Push

Germans Hurl Flying Wedges Into Death Traps in Soviet Lines

MOSCOW.—(AP)—With the Red Army closing in steadily upon vital Kharkov, battlefield dispatches reported today that the Germans were hurling flying wedges of tanks and trailer-carried troops into death traps in the Russian lines in a desperate attempt to break up the offensive now in its seventh day.

Pravda reported that these Nazi counterattacks on wheels and treads, as well as mass German parachute landings of as many as 120 troops at a time, had failed to check the impetus of the Russian thrust.

Pipe Line Discussed

Look Into Possibility Of Moving Gas

WASHINGTON.—(AP)—Congressional leaders talked with President Roosevelt today about the oil and gasoline shortages along the Atlantic seaboard and said there was a discussion of constructing a pipe line or lines to move gas.

Senator Barkley, Democrat, Kentucky, the majority leader, said there was a discussion of using some idle pipe lines that could be taken up and laid elsewhere. There might be as many as two lines, he said, perhaps connecting Texas or Oklahoma fields with Florida or the Ohio River or any other Eastern spot "where we can get transportation into the Northeast section."

But the location, he asserted, is a detail that must await a decision following a survey by Government agencies, such as the Interior Department, the War Production Board, and perhaps the Reconstruction Finance Corporation.

Barkley said he did not know whether the pipeline would cost and added that any Congressional action would be delayed until the investigation was made by Government agencies.

STEEL BARRIER

Secretary of the Interior Ickes has advocated construction of a pipeline from Texas but the huge amount of steel that would be required resulted in the War Production Board's frowning on the project.

Barkley indicated that the greater question was the principal topic of conversation when he, Vice President Wallace, spoke in New Haven, Conn., last week. He said that the huge amount of steel that would be required resulted in the War Production Board's frowning on the project.

"Everybody was intensely interested," Barkley asserted. "This will be looked into to one day if we can't get started."

A steady flow of picked German fighting men, chiefly alpinists and submarine sailors, and many Gestapo agents are keeping the Italians in line with the Nazi program.

THE UNITED STATES

It is the view that the war with the United States, although it means a great deal to the Germans, encourages the widespread hope of German defeat.

Indeed, some say that half

SEEN ITALY IN ON Page 8

SEEN ITALY IN ON Page 8

SEEN ITALY IN ON Page 8



Little change in temperature tonight.

Today's Temp. H. 80; L. 62. Sunrise Tomorrow 6:16.

Additional U. S. Weather Bureau data will be found on page 8.

Note To Readers

Dispatches from Berlin, Rome, Tokyo and other sources are being sent to you by the United States Government. The material is being sent to you for your information and is not to be used for any other purpose.