

French Launch Do-or-Die Offensive From Somme To Rescue Allied Armies Trapped in Flanders; Roosevelt Names Seven to Gear Up Defense

Representative Board Will Serve Without Pay; New Income Tax Studied

WASHINGTON, (AP)—President Roosevelt named a National Defense Commission of seven, drawn from Government, business and labor, yesterday to gear the nation to top-speed production of planes, engines, guns and other defense implements.

To this commission, he appointed:

Edward R. Stettinius Jr., chairman of United States Steel, to have charge of the delivery of industrial materials to the plants which produce the finished product.

William S. Knudsen, president of General Motors, to super- vise the production of the finished product.

Sidney Hillman, president of the Amalgamated Clothing Workers, to attend to labor and supervise employment problems in general.

Chester C. Davis of the Federal Reserve Board, to see to farm products both for domestic use and for export.

Ralph Budd, chairman of the Burlington Railroad, to super- vise transportation problems.

Miss Elliott for Consumers

Leon Henderson of the Securities Commission, to keep track of price trends in an effort to avoid any undue increase in the cost of living.

Miss Harriet Elliott, dean of women at the University of North Carolina, to advise on consumer problems.

At the same time, word was passed on Capitol Hill that congressional leaders had agreed tentatively on an income "super- tax," amounting to 10 per cent of present income taxes, and an increase in levies on beer, liquor, tobacco, gasoline and other items to finance the huge defense program.

Earlier in the day, the President and prominent members of Congress had agreed to ask for enactment of new defense taxes yielding \$3,000,000,000 or more in the next five years, and to request that the existing \$45,000,000,000 limit on the national debt be raised to \$48,000,000,000. It was disclosed that, under the law, \$3,000,000,000 of "national defense obligations" would be floated, to be paid off in five years.

The officials did not decide at that time what form the new taxes should take but later conferences brought forth word that the bill probably would include the new income tax, applicable on 1940 incomes of individuals and corporations. A taxpayer who would pay \$1,000 under present law would find his tax bill raised to \$1,100 under the new law.

One-Half Cent Raise on Gasoline

Other items in the proposed bill: An increase in the gasoline tax from 1 cent to 1 1/2 cents a gallon; an increase of \$1 a barrel in the \$5 rate on beer; an increase in the liquor tax from \$2.25 to \$3 a gallon and an increase in the cigarette tax from \$3 to \$3.50 per 1,000.

All other excise taxes would be increased by a flat 10 per cent of the existing tax. Such taxes include levies on tobacco (other than cigarettes), cosmetics, jewelry, playing cards, etc.

The total increases would be calculated to raise \$683,000,000 annually.

Senator Vandenberg (R., Mich.) predicted that Republicans generally would approve the idea of arranging to finance the defense program at once, although he added that there might be "sharp disagreement" on details. Chairman Harrison (D., Miss.) of the Senate Finance Committee expressed the opinion that the tax and borrowing program could be enacted and Congress adjourned by June 24, when the Republican National Convention is scheduled to meet.

Resembles 1917 Board

In appointing the National Defense Commission, President Roosevelt went back to the World War national defense act, signed in August, 1917. This authorizes the formation of a national defense council consisting of six Cabinet members, with a National Defense Commission of seven operating under it to do the actual work of industrial, labor and consumer co-ordination.

As it works out in this instance, however, Mr. Roosevelt advised correspondents that they could forget about the Cabinet council. This led to a general view that the commission would function under the President's immediate supervision and report directly to him.

No President for Board

The commission, Mr. Roosevelt said, is to have no President, but will have a secretary, William H. McReynolds, an executive assistant to the President, whose task will be to act as liaison man between the members and to co-ordinate information coming in to the commission. The first meeting will take place to- morrow at the White House.

In actual operation, the Army and Navy will place its own orders, after consultation with the commission, and it then will be the latter's task to see that materials are on hand at the proper plants as needed, that production schedules are maintained, that transportation is available as needed, and that labor is available to do the task.

Mr. Roosevelt described the defense program and its central problem as one of superimposing an expenditure of \$1,250,000,000 upon what is already being laid out for national defense. This, he emphasized, was different essentially from the mobilization prob-

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NATIONAL DEFENSE COMMISSION APPOINTED BY PRESIDENT ROOSEVELT

WILLIAM S. KNUDSEN (left)—Migrated from his native Denmark at 20 and worked his way to presidency of General Motors Corporation from his first jobs in New York ship yards. One-time production manager of Ford Motor Company. Vigorous in speech and action. Home, Detroit.

Above, Left to Right

CHESTER C. DAVIS—53-year-old member of the Federal Reserve Board. Edited newspapers in South Dakota and Montana for many years. Served as administrator of Agricultural Adjustment Administration. Born at Linden, Iowa, educated at Grinnell College. Home, Washington.

EDWARD R. STETTINIUS JR.—40-year-old board chairman of the United States

Steel Corporation. One of the youngest of the nation's industrialists. Vice-president of General Motors Corporation before joining U. S. Steel in 1934. Born in Chicago and graduated from University of Virginia. Home, New York.

RALPH BUDD—61-year-old president of the Chicago, Burlington and Quincy Railroad and former president of the Great Northern road. A railroad man all his life who rose from an engineering helper. Born in Waterloo, Iowa. Home, Chicago.

Below, Left to Right

SIDNEY HILLMAN—53-year-old president and founder of the Amalgamated Clothing Workers Union and vice-president of the C. I. O. An ardent advocate of a third-term for President Roosevelt. Favors

continuing negotiations to end the C. I. O.-A. F. L. split. A native of Lithuania.

LEON HENDERSON—45-year-old economist associated with the Roosevelt administration since NRA days. Appointed to the securities commission last year after serving as economic adviser for the Democratic National Committee and WPA and as executive secretary of the monopoly committee. Native of Millville, N. J.

MISS HARRIET ELLIOTT—66-year-old professor of political science and dean of women at the University of North Carolina. Organized first woman's suffrage group in North Carolina in 1913. Member of the woman's advisory committee of 1936 Democratic National Convention. A Quaker. Born in Carbondale, Ill.

Surrender of Belgians Enables Nazi Forces To Rush to Coastline

PARIS, (AP)—A great, desperate offensive from the south to relieve the northern Allied armies—left with the back of their resistance broken by the surrender of the Belgian Army "almost in its entirety"—was declared last night by the French to be going well for their army.

This fighting was in the region of the Somme. To the east 30 other Allied divisions of some 450,000 to 600,000 men were poised for a synchronized attack along the Aisne. Upon the outcome of these supreme efforts will depend the result of the desperately contested battle of Flanders.

In co-operation with the Somme offensive, British and French air forces put everything they had into a far-flung bombing operation over German air fields and communications.

Belgians Nazi Prisoners

To the north, where about 300,000 Belgians were acknowledged gravely by the French to have become voluntary Nazi prisoners almost to a man, it was admitted that the situation was "very difficult," but the night French communique declared that the hard-pressed Allies were "still fighting with the same determination."

In this area, the Germans, finding the resistance suddenly far lessened, apparently were swinging their northern wing like a great gate to the coastline of the English Channel, thus supporting the considerable number of Nazi troops already on the sea.

Battle Details Lacking

The French communique conceded that in the north "the decision taken by the king of the Belgians has enabled the enemy to increase pressure."

The action on the Somme—on the south side of the German corridor to the sea—was officially termed "an important movement," and its details were guarded.

Virtually the entire Allied air force, meanwhile, was thrown into the northern breach in an attempt to check the German rush through the gap left by the Belgians. German troop convoys were the especial targets of mass air attacks.

Allied Generalissimo Maxime Weygand was reported to have thrown the major part of his force into position for the supreme thrust into the lower rim of the German circle, even before the Belgians laid down their arms before dawn yesterday at the order of King Leopold III.

Remnants Carry On

The loss of the mass of the Belgian Army, which bowed to Hitler after 18 days of blitzkrieg had backed them almost up to their western shore, was a blow equaled only by the collapse of General Andre Corap's army in the battle of the Meuse May 15, which permitted the Nazi motorized units to drive across Northern France to the English Channel.

The French and British remnants of General Georges Blanchard's northern army carried on the fight in Flanders above the German salient which reaches to the sea; but a military spokesman acknowledged their resistance was "extremely difficult."

British and French air forces extensively bombed German air fields and communications to relieve the northern army of German pressure, a War Office spokesman said.

Thus the outcome of the war now turned on the Central Front, below the broadened Nazi corridor, along the Somme and Aisne Rivers and down the main Maginot fortifications to the east.

Must Strike Now

Neutral observers believed that if General Weygand found he had time, he would strike within the next 36 hours. "The blow was expected to come midway between Rethel and Montmedy on the Aisne. These sources said he must strike now or lose not only his trapped divisions, but risk the shock of a German thrust in the Rethel area, which might cut under the Maginot Line to Reims and Paris."

The news of the Belgian surrender was broken to the French by Premier Reynaud in a radio broadcast after a solemn night of sessions of both the French and Belgian cabinets.

It provoked a storm of rage against Leopold, whose three children, Princess Josephine Charlotte, 12; Prince Baudouin, 9, and Prince Albert, 5, were reported safe in a chateau "somewhere in France." The whereabouts of Leopold himself were not known here.

Cabinet Takes Over

Belgium's refugee cabinet in Paris issued a proclamation stripping the monarch of his functions, took over his power and ordered a new army to be formed to fight on the side of the Allies.

It was problematical, however, whether the Belgian government could muster a force of such size as to be of any benefit to the British and French.

Leopold was commander-in-chief of the Belgian Army, and his order to surrender unconditionally ended the resistance of the great body of his forces. The Belgian government in France, therefore, has control over only the great mass of its refugees,

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Leopold in 'Belgian Castle'; Nazis Describe Surrender

BERLIN, (AP)—Belgian negotiators appointed by King Leopold III of the Belgians approached German lines late last night carrying an illuminated white flag to ask for an armistice, the well-known commentary Dienst aus Deutschland said last night in describing events leading to the Belgian Army's surrender.

The Germans replied that unconditional surrender would be the only terms acceptable, the commentary asserted.

The negotiators then recrossed their lines to get instructions and returned several hours later with the word that the terms were ac-

cepted. Only five hours passed— from 11 P. M. Monday to 4 A. M., Tuesday—from the time the negotiators first appeared until the Belgian surrender became official.

Reports here said Leopold already had departed for a "well-known Belgian castle which was placed at his disposal" by Adolf Hitler but there was no hint as to its name or location. There was talk, however, that it was located in the Ardennes Forest.

An interesting question raised by the capitulation was the fate of the Belgian colonies. An un-

Nazis Gain Formidable Sea Frontage

New Blow Struck Toward Britain

NEW YORK, (AP)—German troops have occupied the French port of Dunkerque, a Rome broadcast picked up by NBC in New York said last night.

BERLIN, (AP)—Adolf Hitler's German forces swallowed last night the sixth nation to fall to Nazi arms since the war began, and struck massive new blows through the westward rim of France toward Britain.

King Leopold of Belgium gave up, ordering half a million men to cease fighting, and about 700,000 Allied troops—already encircled in Belgium and Northwest France—were thus left without any protection on what had been their long northern front.

The long nose-like lines which the Germans had thrown about them were drawn tighter; Nazi forces were declared to have crossed the Scheldt Canal northwest of Valenciennes, capturing the towns of Orchies and Douai, south of Lille, and advancing to the outskirts of the Belgian city of Bruges.

New Sea Frontage Gained

On the southern front, in the region of the Somme, the French were reported thrown back in "isolated attacks."

The surrender ordered by Leopold opened at least Ostend, on the English Channel, and perhaps Dunkerque very soon.

Thus the Germans were given formidable new sea frontage from which to stab at Britain's North Sea and Channel commerce and naval communications, as well as the greatest freedom to concentrate all their northern divisions on the entrapped British and French for a last cleanup before turning southward again to engage the main French Army.

While Premier Reynaud of France cried out against Belgian capitulation as opening the gates

British, in 'Grievous Peril,' Marshal Air and Sea Power To Save Trapped Thousands

Standard Design Is Called Solution

LONDON, (AP)—Britain's air and sea power was poised last night for a blow which she hopes will save the flower of her expeditionary force from the Nazi grip of death, clamped tighter by Belgian surrender and exposure of the Allies' left wing in Flanders.

Prime Minister Churchill, who warned the House of Commons gravely that "hard and heavy tidings" might be expected from a situation of "grievous peril," kept to himself and his war council the plan for the break.

But in promising a statement "when the result of the intense struggle now going on can be known and measured," Churchill declared the trapped thousands had and would have "the powerful assistance of the Royal Navy and Royal Air Force."

Alfred Duff Cooper, British

French Flyers Face Chaining As Nazis Order 'Retaliation'

BERLIN, (AP)—Captured French airmen henceforth will be clamped in chains immediately, Field Marshal Hermann Wilhelm Goering announced last night, in retaliation for similar treatment reported by a lieutenant-colonel of the Nazi air force.

A radio report said he specified also that "every time the murder of a German flyer is reported" five captured French flyers will be shot and that for every report of firing on a Nazi parachuting from a damaged plane 60 enemy prisoners will be shot.

His order exempted the British because so far they have "not given cause for such retaliatory measures."

Officer Describes Treatment

The Nazi air chieftain's announcement followed receipt of a report from squadron leader Lieutenant-Colonel Lackner, who told of being fired upon by French troops as he parachuted to earth from his flaming plane, set upon and beaten and finally being chained.

The officer was said to have

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