

RUSSIANS LAND TANKS BY PLANES AND CAPTURE RUMANIAN FORT; BATTLES RAGE ON PRUT RIVER

Nazis Answer British Claim Of Air Power

German planes hurl incendiary bombs on thickly-populated sections

CHAMBERLAIN SPEAKS

Appeals For Finish Fight
And Insists Harmony
Exists Within Cabinet

LONDON, July 1—(Monday)—German planes hurled incendiary bombs on thickly-populated areas of Britain early today as in answer to British claims of having won aerial initiative, and to former Prime Minister Neville Chamberlain's assertion that any Nazi invasion will be fought until invaders or defenders are "utterly destroyed."

The German planes ranged over Scotland, England and Wales to the accompaniment of thudding bomb blasts and the gunfire of British fighter planes and anti-aircraft batteries. Extent of damage or casualties was not disclosed.

British Stage Raids
Last night the British told of night raids on military objectives in German territory, pointing to them as proof that England had won and would keep the "jump" on her foe in aerial warfare.

The British said their raids had seriously curtailed German industrial output and in many cases forced abandonment of night factory shifts.

Last night, too, Chamberlain, now lord president of council in the Churchill cabinet, addressed the empire by radio, declaring for a finish fight and insisting that complete harmony exists within the British government.

Answers Rumors
His speech, in reply to rumors of disunity and possible peace moves, denied such "idle tales" but warned that a German invasion might be attempted at any moment and might "manage here and there to make a breakthrough."

"If he does," Chamberlain asserted, "we will fight him on every land, in every village and in every house until he or we are utterly destroyed."

Chamberlain began his speech with this sentence:
"The first thing I want to say tonight is that all members of the war cabinet are working together in complete harmony and agreement."

Then the man who sought "peace in our time" at the Munich conference declared:
"Anyone who lends himself to German propaganda by listening to idle tales about disunity among us, or who imagines that any of us would consent to enter upon peace negotiations with the enemy is just playing the Nazi game."

Four Raids
An air ministry communique today reported four British air raids on Germany and Germany-held territory within 24 hours.

British bombs struck a hangar at Albeville, near the French coast of the English channel yesterday afternoon, it said, set four German aircraft afire and damaged others.



Senator Charles L. McNary (center), of Oregon, is congratulated by senatorial colleagues Clyde M. Reed (left) and Arthur Capper, both of Kansas, on his nomination for the vice-presidency. McNary said he was proud of the confidence shown in him but that he wished the Republicans had "imposed the chore on someone else."

Units Of American Fleet Return To Honolulu Base

Contest Over Stimson And Knox Is Expected

WASHINGTON, June 30—(AP)—Congress will reconvene tomorrow after a week's recess amid indications of a heated contest over senate confirmation of President Roosevelt's nominations of Colonel Frank Knox to be secretary of the navy and Henry L. Stimson to be secretary of war.

Both Chairman Walsh (D-Mass.) of the senate naval committee and Chairman Sheppard (D-Tex.) of the senate military committee arranged to call their groups together Tuesday morning to hear the two republicans testify concerning their views on United States policy and the European war.

Walsh announced that the naval committee would meet behind closed doors and immediately encountered opposition to such procedure from at least two members of the committee.

SEVERAL MISSING IN TEXAS FLOOD

High Water Sweeps Into Business Districts Of Southeastern Towns

SCHULENBURG, Tex., June 30—(AP)—Violent flood waters born of week-end cloudbursts along the watersheds of the Colorado and Lavaca rivers swept through the fertile southeast Texas area today, pouring into business districts of isolated towns and trapping many residents who took refuge in trees and on rooftops.

Several persons told C. S. Morgan, Yoakum newspaperman, they saw two families swept down the Lavaca river in their homes at Hallettsville.

They gave the names of those missing as Mr. and Mrs. Joseph Stanzel and daughter, Marie, and Mr. and Mrs. John Soreck.

"Japan always will have to consider the unsolved Russian problem at her back door," said Hauser, former research associate of the Institute of Pacific Relations in New York.

"The Japanese always have been

New Defense Tax Schedule Now Effective

Scores Of Products, Including Beer And Cigarettes, Are On The List TO COLLECT MILLIONS

Levy On Newly-Produced Products Includes Auto- mobiles And Gasoline

WASHINGTON, June 30—(AP)—Mr. and Mrs. American consumer will get their first taste of the new defense taxes tomorrow.

With the midnight arrival of July 1, higher levies go into effect on future manufactures of a score of products, and "floor taxes," expected to affect the retail price, are effective on cigarettes, beer and liquor.

Floor Taxes
The floor taxes, applied to stocks already on hand, are 1-2 cent a package on cigarettes, 75 cents a gallon on liquor, and \$1 a barrel on beer.

Up to 100 gallons of liquor and all beer in the hands of a retailer are exempt from the floor tax, but the half-cent must be paid on every package of cigarettes.

While the beer tax is not imposed on stocks of a retailer, it must be paid by wholesalers and brewers on all their stocks. Wholesale liquor dealers are not granted the 100-gallon exemption.

Congress levied these taxes so that merchants who bought up supplies in anticipation of the increase would have to pay just the same. The treasury expects to collect \$4,800,000 from the floor tax on cigarettes and \$19,600,000 from that on liquor and beer.

Movies Affected
Levies on other products may not affect the consumer until existing stocks are sold, but movie patrons will pay the new taxes immediately.

The tax of one cent on every ten cents of an admission fee will start with tickets costing 21 cents, instead of 41. As a result, moviegoers who have paid no tax when attending theatres which charge only 10 to 40 cents admission will begin paying at Monday's matinees.

Here is the increase on various newly-produced products, and services:
Toilet preparations, from 10 to 11 per cent; automobiles, 3 to 3 1-2 per cent; radios, 5 to 5 1-2 per cent; mechanical refrigerators, 5 cents to 5 1-2 per cent; matches, 5 cents to 5 1-2 per cent; a thousand; electrical energy, 3 to 3 1-2 per cent;

Interpreting The War
BY EDWARD E. BOMAR
Evidence appears to be accumulating that the single word "war" is the answer to the question "what is Russia up to?"

This is not to suggest that Joseph Stalin has decided on a bold challenge to the Nazi juggernaut, but that Moscow now is convinced that in the schemes of the axis dictators Russia is next after England, and is getting ready.

It is an over-simplified and obvious interpretation of the seizure of Bessarabia. It may be significant, nevertheless, that it is held firmly

by a large body of extremely well informed opinion in Washington.

From one quarter with access to official advices comes the confident prediction that the European war will shift eastward in September with a head-on clash between the Nazis and their recent Russian partners in power politics.

Let this prediction be dismissed as mere guesswork, it is a matter of record that the administration was advised months in advance that May 10 had been set as the

date for the Japanese to move into Manchuria. It is a matter of record that the Japanese always have been

afraid of big Russia, and their move in the south probably is timed with Russia's preoccupation in Europe.

Russia is extremely powerful in Vladivostok, the Pacific port, and along the Amur river, borderline between Siberia and Manchoukuo, he said. The flying distance from Vladivostok to Tokyo is only some 750 miles.

Left virtually orphaned through Dutch capitulation to Germany, the Netherlands Indies would be a rich strike should the Japanese move in. Hauser did not venture a

guess as to whether Japan would try to take the islands, which have a native population about equal to that of Japan. The Indies, stretching some 3,000 miles, have oil, rubber, tin, coal.

The oil resources might be wired for dynamiting in case of invasion," Hauser said, "but the Japanese could move over there so fast the Dutch wouldn't have time to set off the charges."

SEIZE RENI, GAIN COMMAND OF MOUTH OF DANUBE; MOVE CONSIDERED BLOW TO NAZIS

REDS MAKE NEW MOVE

Asks Turkey For Permission To Participate In Dardanelles' Defense

BROAD DRIVE IS SEEN

May Take More Territory As Shock-Absorber Against Future Attacks

BERLIN, July 1—(Monday)—(AP)—DNE, official German news agency, reported today that several hundred persons were killed Sunday in Galati, Rumania, when the Rumanian army put down armed Jewish uprisings.

The German radio listed the number dead at about 600, with many more wounded.

The radio said about ten leaders of a demonstration Sunday morning were shot dead. Later in the afternoon, it said, about 2,000 persons, mostly Jews, arrived by train in Galati escorted by Rumanian soldiers.

The radio said these were mostly from Galati and Bucharest, and were being returned from nearby Bessarabia, where they had gone to apply for Soviet citizenship in that newly-ceded territory.

It said this crowd had fought Rumanian soldiers in Reni, Bessarabia, but was subdued and loaded onto the train.

Arriving in Galati, it related, one man shot a Rumanian soldier and the whole group fled. Rumanian soldiers then encircled part of the town, shooting the fugitives with machine guns, and kept up the search for stragglers during the night, the account continued.

(Galati is an important city on the Danube, just west of the area ceded to Russia.)

BUDAPEST, June 30—(AP)—Diplomatic circles reported tonight that Soviet Russia has asked Turkey for permission to participate in defense of the Dardanelles, straits that link the Black Sea and Mediterranean.

This was interpreted as a definite indication that Russia has embarked on a further program of solidifying her defenses against possible attack from the west—with a hold on the vital Dardanelles as a major Russian goal.

It intensified the belief that Russia was prepared to try a far-reaching penetration into southeast Europe, boldly clashing with the interests of Germany.

Other Claims Silenced
This belief appeared tonight to have silenced other Balkan revisionist claims that grew sharp when Russia took over Bessarabia and northern Bucovina from Rumania.

It was believed that Russia now was prepared to make the most of her opportunity, while the axis powers are otherwise occupied, and take additional territory as a shock-absorber against any future attacks on original Russian territory.

Indications are that the Soviets are prepared to move in a manner which may leave Germany with the choice between continuing the western offensive against Britain or defending German "Lebensraum" in southeastern Europe.

This, in turn, led to speculation among Balkan observers whether

Ministers Leave
A group of Bulgarian deputies left for Moscow tonight.

Ostensibly they are to attend the Moscow peasant economic exhibit, but political observers attached significance to the fact that the party was headed by Soriti Yanef, Government mouthpiece and a majority parliamentary leader who sometimes is employed as an unofficial diplomat.

These sources also expressed belief that sooner or later a showdown is inevitable between Germany and Russia. The belief prevailed that Germany and her Axis partner, Italy, already had given assurances that Bulgarian claims on the southern Dobruja area now held by Rumania would be satisfied at an eventual peace conference or by Axis pressure on Rumania.

Quarters close to the Bulgarian government reiterated that Bulgaria would not risk war for the Dobruja, although numbers of troops are concentrated on that front.

If the Red Army should attempt to reach the Dardanelles, the Dobruja plains would be anatural pathway.

Mr. Bailey was an honorary colonel of the New Hanover High school ROTC unit and was a member of the board of stewards of Grace Methodist church. He was a 32nd degree Mason, a member of the Shriner and the Lions club.

He is survived by his wife, Mrs. Isabel R. Bailey; two daughters, Mrs. Berenice Stellings and Mrs. J. Michelson Auld, of Wilmington; one sister, Mrs. Ed. Haid, of St. Louis, Mo.; one brother, Charles Bailey, of Memphis, Tenn.; three half-sisters, Mrs. Walter Boemer, of Indianapolis, Ind., Miss Norma Bailey, of St. Louis, Mo., and Miss Melba Bailey, of St. Louis; his step-mother, Mrs. C. T. Bailey, of St. Louis; and three grandchildren.

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Funeral arrangements will be announced later

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Bulgaria Places 250,000 Men Along Its Frontiers

KEEPS EYE ON TURKEY
Informed Sources Believe
Russia And Germany
Must Have Showdown

SOPIA, BULGARIA, June 30—(AP)—Bulgaria, proceeding with "quiet mobilization," concentrated more than 250,000 soldiers tonight on the borders of Turkey and Rumania.

Most were on the Turkish frontier this being attributed in official quarters to fears that if Soviet Russia seeks to expand toward the Dardanelles, this country might be caught between conflicting Turkish and Russian interests.

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GARRISON SURPRISED

Soviet Troops Now Control One Of Nazis' Vital Communication Lines

SOVIETS CROSS RIVER

Street Fighting Is Staged Among Many Communists And Anti-Communists

BUCHAREST, June 30—(AP)—Rumanian baby tanks, landed by planes tonight seized Reni, at the juncture of the Danube and Prut rivers while a series of bloody battles was reported elsewhere along the Prut.

The tanks, suspended between the wheels of big transport planes in a display of warfare in its most modern phase, caught the Rumanian garrison so completely by surprise that the rifles stood in untouched barracks racks.

This maneuver was believed to have gained quantities of military material for the Russians, and gave them a commanding position over the mouth of the Danube (one of Germany's vital communications lifelines).

From Reni, the Red army is in a position to block all traffic from the Danube to the Black sea—if it so desires—with hardly more than machine guns necessary.

This was seen by diplomats as a serious blow to Germany.

(Reni is in the extreme southwest corner of Bessarabia, but it is not clear whether Rumania counted it as part of the territory ceded to Russia.)

Reports received in military quarters said the Rumanians turned to fight when the Russians crossed the Prut river at several places in Bucovina.

General Captured
These reports said the Reds were thrown back with considerable losses, but that they brought up reinforcements and succeeded finally in crossing the stream and capturing a Rumanian general.

Fighting was reported from several other points throughout the day.

The conflict apparently arose over the interpretation of the boundary of Northern Bucovina, which with Bessarabia was ceded by Rumania to Russia in an effort to avoid war.

The Rumanians interpreted "Northern Bucovina" as ending at the Prut river, but it was believed that the Rumanian minister to Moscow might have failed to advise his government of the demarcation line on which the Russians decided.

The Rumanian general Ulorescu, in command on the Bucovina border, was reported late tonight as still refusing to accept Rumanian war ministry orders to retreat. Instead, he was continuing the fight at an undesignated point along the Prut.

Italy Claims Occupation Of 'Localities' On Libyan-Egyptian Line

ROME, June 30—(AP)—Land and air fighting of "considerable activity" broke out along the Libyan-Egyptian border today with the Italian high command claiming occupation of "various localities" and destruction of four British planes.

The Italian communique reported capture of several positions on the Cirenaica front, where A. I. Marshal Italo Balbo crashed his death Friday.

"Considerable activity of our columns in front of Cirenaica," said the communique. "Various localities were occupied by our troops and attacks by enemy motorized detachments were repelled."

It was claimed that Italian planes shot down two enemy planes during a British attack at the field of Tobruk (Libya), and that a third probably was brought down. The attackers caused no damage.

NO VACATION FOR STAR - NEWS WANT ADS

Tomorrow, the next day, and every day Star and News readers will rely on the Want Ads in their search for places to live, all kinds of miscellaneous articles, etc.

The renting season never ends in Wilmington. So place your Want Ad TODAY!

WEATHER

FORECAST
North Carolina: Generally fair, rising temperature Monday. Tuesday, partly cloudy, somewhat unsettled in the mountains.

(Meteorological data for the 24 hours ending 7:30 p. m. yesterday.)
Temperature
1:30 a. m. 74; 7:30 a. m. 70; 1:30 p. m. 73; 7:30 p. m. 75; maximum 82; minimum 66; mean 74; normal 73.

Humidity
1:30 a. m. 91; 7:30 a. m. 53; 1:30 p. m. 39; 7:30 p. m. 54.

Precipitation
Total for 24 hours ending 7:30 p. m. none; total since first of the month, 5.06 inches.

Tides For Today
High 6:20 a. 1:32 p.
Low 1:57 p. 8:58 p.
Masonboro Inlet
4:01 a. 10:20 p.
4:37 a. 11:05 p.

Sunrise 5:04 a.; sunset 7:27 p.
Moonset 7:54 p.

(Continued on Page Ten)