

Henderson Daily Dispatch

ONLY DAILY NEWSPAPER PUBLISHED IN THIS SECTION OF NORTH CAROLINA AND VIRGINIA.

TWENTY-SEVENTH YEAR

LEASED WIRE SERVICE OF THE ASSOCIATED PRESS.

HENDERSON, N. C., SATURDAY AFTERNOON, JUNE 22, 1940

PUBLISHED EVERY AFTERNOON EXCEPT SUNDAY.

FIVE CENTS COPY

Armistice Signed Today

Congress Approves Tax Bill Raising Federal Debt Limit To 49 Billion

Emergency Defense Bill Is Approved

Passage of Measures Brings Congress Near Recess For Republican National Convention Opening Monday.

Washington, June 22.—(AP)—The House today approved a compromise tax bill carrying a total of \$1,000,000,000 to \$19,000,000,000.

Washington, June 22.—(AP)—A House emergency defense bill won final Congressional approval today.

The House sent the measure to the Senate after agreeing to a report previously adopted in the House.

The bill carries funds for 3,000 new fighting ships for the Navy, 3,000 Rolls Royce engines to build the Ford Motor Corp. unspecified numbers of tanks, ammunition and supplies also were included to start 68 new fighting ships for the Navy and to permit the Federal Bureau of Investigation to expand its force by 500 agents to combat saboteurs.

The House approved a compromise bill and sent it to the Senate for final legislative action. The House's recess so that Republican might attend their party's convention in Philadelphia, Pa., was, meanwhile, wound up with a vote on a \$1,157,711,337 appropriation bill including \$100,000,000 for surplus crop disposal to the White House.

Italians Bomb Egypt Coast

Washington, June 22.—(AP)—The Italian air force renewed its attack on the allied war fleet in the Mediterranean today.

Warplanes shot down one British bomber and drove the others away. Italian planes were shot down by the earlier bombing raids. The attack on the coast was aimed at the warships and then at the coast.

Japs Alter Position

Stronger Hand Taken Regarding French and British Possessions in Orient.

Washington, June 22.—(AP)—Japan altered her position regarding British and French possessions in the southern Orient today, while the European powers are too busy to oppose her moves to the government.

Japan's foreign policy has been revised in view of the situation of the war in Europe. A new program designed to strengthen relations with Germany is being put into effect.

Knox Called To Testify On War Views

Washington, June 22.—(AP)—The Senate naval affairs committee voted unanimously today to summon Col. Frank Knox, president Roosevelt's new Navy secretary-designate, to learn his views on the question of keeping the United States out of war.

Chairman Walsh, Democrat, Massachusetts, said Knox would be asked to testify before the committee in a public hearing, probably July 1. Walsh said the committee determined without dissent to postpone action until after Republican members had returned from their national convention.

All committee members have been receiving telegrams both protesting and commending the appointment of Knox and Henry L. Stimson, also a Republican, as secretary of War, Walsh said.

Nazi Troops Isolated

German Motorized Units Near Lyon Reported Cut Off From Northern Forces.

Geneva, June 22.—(AP)—French sources reported today that German troops in the vicinity of Lyon had been cut off from northern German forces by the closing of French lines above them.

The southeastern French forces, according to reports reaching the Swiss border, are welding their hitherto separated armies in the upper Rhone valley.

German motorized units in Lyon now stand in a pocket amid reassembling French forces which are aided by fresh material from the south, it was said. West of Lyon, German efforts to take and hold Clermont-Lerrand with its big war industries encountered a resistance stronger than any before Verdun, it was said.

While the German mass occupation of French territories, crisscrossed by motorized columns, reached Brittany, the eastern mass occupation still was logging in the Champagne area northeast of Paris.

Chain Of U. S. Arms Factories Recommended

Washington, June 22.—(AP)—Construction of a billion dollar chain of government munitions plants has been recommended officially to President Roosevelt as part of the further expansion of the defense program.

One of the major proposals was that the government build without delay several score plants to turn

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State's 1939-1940 Revenue Will Exceed \$75,000,000 For First Time In History

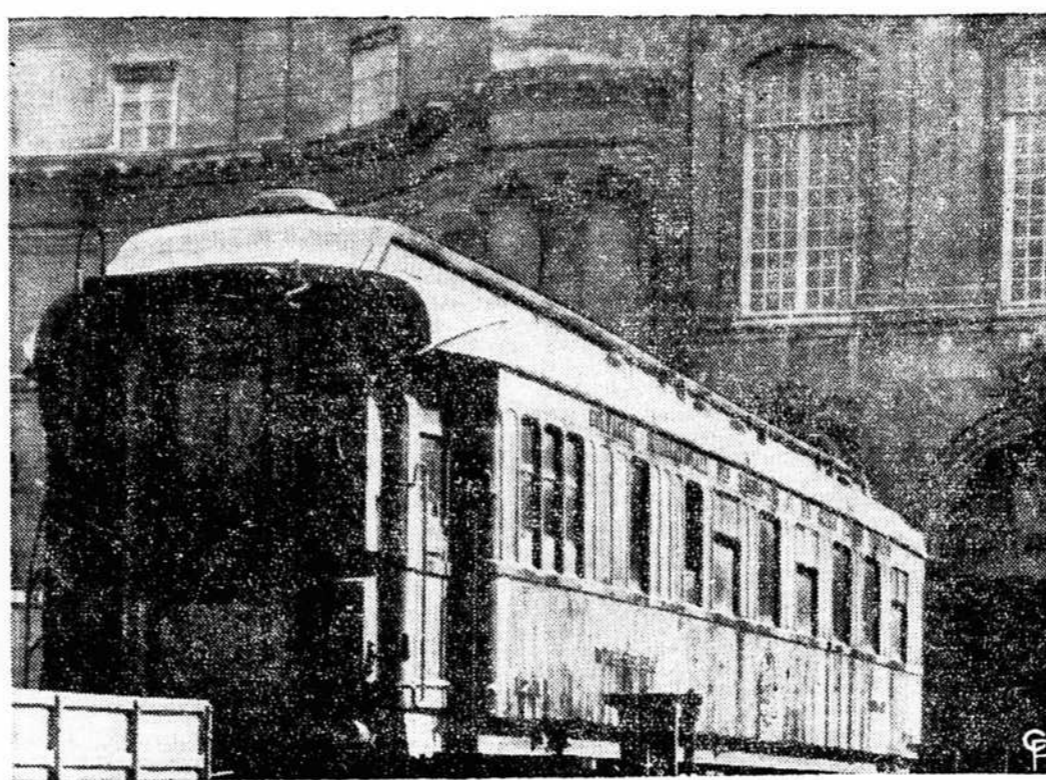
Daily Dispatch Bureau, Raleigh, June 22.—The State's revenue for the fiscal year ending June 30 will pass \$75,000,000 for the first time in the history of North Carolina.

Last year and the year before revenue was just under \$70,000,000 but this year there will be an increase of more than \$5,000,000 over that. As yet there are no available authoritative estimates of what cash

balance, or surplus, will be left in either the general fund or the highway fund, but it appears certain that the next fiscal year will begin with something of a financial cushion against the expected drop in revenue almost sure to follow a crisis in the tobacco situation.

Estimate that this fiscal year's revenue will be above \$75,000,000 is based on the practical certainty that

German Spoils of Victory



Whatever the reply of France to German armistice terms, Hitler has ordered brought to Berlin the long-enshrouded railway car (above) where Germany signed an armistice in sorrow in 1918 and offered one in victory today. Along with the historic car, Hitler will take away the memorial tablet that marked the spot and the monument the French set up there. Hitler personally decreed that the monument to Marshal Foch is to be preserved undamaged, unmoved.

Bulk Of French Fleet Taken Over By British, Reports Say

Berlin Experiences First Real Air Raid

"German Hollywood" Struck By Bombs Which Injured Seven; Enemy Raids Elsewhere in Germany Kill 17, Injure 18 in Three Days.

Berlin, June 22.—(AP)—This Nazi capital, exulting in the German triumph over France and waiting for her unconditional acceptance of armistice terms, underwent its first real air raid of the war early today.

Astonished inhabitants scurried into air shelters as planes dumped bombs on suburban Babelsberg, the "German Hollywood" between Hitler's metropolis and the former imperial residence at Potsdam.

There is a great military airport not far away and the big movie studios at Babelsberg resemble air-station hangars. What the bombs actually hit, however, according to official reports, were a Babelsberg garage and a "telephone system."

Seven persons were injured. Enemy raids elsewhere in Germany killed

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Maxwell Still In Critical Condition

Raleigh, June 22.—(AP)—A. J. Maxwell's condition was reported today as unchanged from last night when his physician said he had developed a lung congestion which might be a form of pneumonia.

The family was at his bedside in a hospital here last night after his condition had become critical.

Italian Sub Surrenders

London, June 22.—(AP)—The admiralty announced tonight that a large Italian submarine had surrendered to the British trawler Moonstone.

The capture was made in the Gulf of Aden, the announcement said, after the Moonstone attacked the submarine with depth charges.

The admiralty and the air ministry announced that the 26,000-ton German battleship Scharnhorst had been damaged by combined action of British naval and air units.

The air ministry announced a British reconnaissance aircraft attack had sunk a large enemy supply ship in the North Sea.

Weather

FOR NORTH CAROLINA

Fair to partly cloudy tonight and Sunday slowly rising temperature.

WEATHER FOR THE WEEK

Rainfall limited to occasional scattered thundershowers by middle or latter part of week; seasonal temperatures.

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Terms Secret, As French Fly To Rome To Seek Armistice

German-French Armistice Will Not Go Into Effect Until Six Hours After Italy Has Reached An Armistice With France; French Delegation Leaves For Rome Immediately After Signing Pact in Compiègne Forest.

New York, June 22.—(AP)—A National Broadcasting Company report from Compiègne said today an armistice has been signed between France and Germany.

The broadcast was received here jointly by NBC and Columbia Broadcasting System.

It said the armistice was signed at 6:50 p. m. (11:50 a. m. e.s.t.)

William Shirer, CBS correspondent, in a special broadcast from the Compiègne forest, announced the signing.

The armistice, the broadcast said, would not take effect until six hours after Italy has reached an armistice with France.

The French representatives who agreed to the armistice are leaving by plane for Rome.

The terms of the armistice have not been disclosed.

The armistice was reported signed by Colonel General Wilhelm Kietel, chief of the German high command, for Germany, and General Charles Huntziger of France, head of the French delegation.

William Kerker, the NBC reporter with the German forces, declared in the broadcast that the terms would not be revealed until the Italo-French armistice has been effected and may not be made public then for some time.

Kerker said the hostilities between France and the German-Italian armies would cease six hours after the Italo-French pact signing.

He added that the French emissaries left at once for Rome in a plane flown by a German pilot. They will seek a French-Italian settlement at once.

Kerker said Adolf Hitler was not at Compiègne for the signing.

Signing of the German-French armistice following long negotiations in the Compiègne Forest, scene of the signing of the armistice of November 11, 1918, which ended the first World War.

The French delegation, it was reported in Berlin, held four long conversations with the French government in Bordeaux last night.

Deliberations of the French commission ended late in the evening and the four members went to Paris for the night. They returned this morning and brought technical assistants and secretaries, indicating they intended to make a written declaration of some sort.

France announced meanwhile that her delegates would fly to Italy and discuss terms with the Italians before a general peace arrangement is reached with both her enemies.

A communique said that the cabinet deliberated most of the morning and into the afternoon on the text of the German armistice terms handed yesterday to the French representatives in Compiègne forest.

From the English Channel to the Suez Canal came accounts of air raids, indicating a tremendous acceleration in air activity.

Italy's bombers showered explosives over Alexandria harbor, seeking the British-French fleet based there; the British bombed Berlin, injuring seven persons, and attacked Bremen, injuring two.

Nazi warplanes blasted away at Britain during the night killing three civilians, bringing the four-day total to 21 killed, 93 injured, in the United Kingdom.

The British fought off the attack.

In the Mediterranean, British planes struck at Torbruk, Italian Libya, and declared that smoke was pouring from a big warship as they streaked away, knocking out two Italian fighter planes that came at them.

The Italians reported they staged a series of air and naval attacks in the Mediterranean sinking three enemy ships by submarines and heavily bombing Bizerte, Tunisia and Marseille, France's great harbor on the Mediterranean.

There still was bitter fighting on the soil of France.

Strong Nazi motorized forces took the mountain town of Belleguarde and pressed on to storm L'Ecluse "Gibraltar of the Rhone". In the Vosges area, Maginot line troops were trying to cut their way out.

French sources reported later that the French defenders of L'Ecluse not only repulsed an attack on the mountain citadel but drove the Germans out of Belleguarde.

Status Quo In Financier To Pacific Sought Aid Roosevelt

Washington, June 22.—(AP)—Secretary Hull called attention anew today to the desire of the United States government that the status quo be maintained in the Pacific area.

He did this at a press conference in response to questions about press dispatches saying that Japanese troops had occupied South China areas across the border of the British crown colony, at Hongkong.

Hyde Park, June 22.—(AP)—James Forrestal, president of Dillon, Read and Co., New York investment firm, today was appointed a \$10,000 a year administrative assistant to President Roosevelt.

What his duties may be was not disclosed at the temporary White House, but he was expected to serve in some capacity as a liaison man for the President in handling the national defense program.