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Reds Drive Deep Into Rumania

State Revenue Soars To New Record

Fiscal Year Receipts At 76 Millions

Better Business Conditions in 1939 and the First Six Months of This Year Shoot Tax Receipts to Record High Levels.

Albemarle, June 29.—(AP)—North Carolina state revenue soared to a high of \$76,001,641.68 for the first six months of the fiscal year ending at midnight today. Acting Revenue Commissioner Leo O. Gregory reported today that total was \$7,058,709.11 ahead of \$68,946,132.57 collected in 1938.

Better business conditions in 1939 and the first six months of this year have caused franchise, income and excise taxes to record high levels in the annual fund and gasoline taxes to show increases to new tops in the annual fund.

Excise tax receipts were \$40,000,000, a gain of \$4,811,615.54 over 1938. As a result, there was \$2,500,000 diverted to the general fund as authorized by the legislature.

Income tax receipts were \$35,857,000, a gain of \$2,247,092.57 over 1938. As a result, there was \$2,007,000 diverted to the general fund as authorized by the legislature. The best performance was \$11,296,361. in 1937.

Excise taxes brought in \$25,905,000, to exceed by \$1,500,000 the 1938 total of \$24,405,000. Excise taxes brought in \$25,905,000, to exceed by \$1,500,000 the 1938 total of \$24,405,000. Excise taxes brought in \$25,905,000, to exceed by \$1,500,000 the 1938 total of \$24,405,000.

LAY DOWN ARMS

Roosevelt vs. Willkie?

New York, June 29.—(AP)—A Berlin-Wave broadcast heard here by NBC this morning said that General Nogues, governor general and commander in chief of French Morocco, had ordered his troops to cease fighting and lay down their arms.

The report said this action was taken by order of French Generalissimo Weygand.

Washington, June 29.—(AP)—Willkie vs. Roosevelt vs. Willkie? It is a question which will be the President's opponent in the election to balance the Republican nomination of Senator McNary, Oregon?

There were the two big questions in the campaign today as Democrats sought to gauge the strength of the Republican ticket headed by Wendell Willkie and looked ahead to their own convention in Chicago two weeks hence.

The answer to the direct query had with President Roosevelt, but the report said that McNary, however, has been more insistent than ever that the turn of events should be left to the voters to decide. There is no dispute that Mr. Roosevelt commands sufficient convention support for the nomination. He had 1,422 votes pledged to him when the 1939 convention was held and only 100 more were required to nominate. Even McNary's supporters concede the nomination is the president's—if he wants it.

The unanimity is not so complete as it once was. The vice presidential nomination, which goes to the Democrats, South Carolina, staunch administration supporter, has been spoken of highly by McNary's contender for second place in the third tier ticket. But there also has been talk of another Roosevelt-McNary ticket. Other running mates have been named ranging from Secretary of State Hull to Fiorello H. La Guardia, New York's mayor.

McNutt Says America Will Defend Self

Albemarle, June 29.—(AP)—Federal Security Administrator Paul V. McNutt told an audience today at the dedication of Morrow Mountain State Park that "America is not a nation of Chamberlains. And if the time comes to defend democratic liberties there will be no appeasement here."

McNutt and Governor Hoy were the principal speakers at the dedication of the park, the largest recreational area maintained by the state.

McNutt, pointing out that this nation was a peace loving people and consequently had devoted comparatively little time and money to building armaments and military establishments, said:

"But we owe to the man or the nation that thinks America cannot or will not defend itself, its life and its liberties. The response to the President's call for the nation to arm itself leaves no doubt about the answer. And if the occasion arises, it will appear how quickly this nation of happy, sports-loving men and women and boys and girls will be ready to make the sacrifices necessary to defend their freedom."

TWO MORE ITALIAN SUBMARINES SUNK

London, June 29.—(AP)—The admiralty announced today "two more" Italian submarines had been sunk. A brief communique said:

"The commander-in-chief in the East Indies reports further successes by his forces. Two more Italian U-boats have been destroyed."

Stocks Lower In Slow Market

New York, June 29.—(AP)—Buying demand faltered in today's stock market and many traders stepped aside to await further developments in politics, business and the European war.

A portion of yesterday's rally seeped into the list at the start, when fractional gains were registered in most departments. At the close prices were spotty, with several leaders down a shade to around a point. Transfers were approximately 200,000 shares.

American Radiator	6
American Telephone	160 1-8
American Tob B	77 3-8
Anaconda	19 7-8
Atlantic Coast Line	11 3-4
Bendix Aviation	28 1-8
Bethlehem Steel	75 1-4
Chrysler	62 1-2
Columbia Gas & Elec	6 3-8
Commercial Solvents	9
Consolidated Oil	6 3-4
Curtiss Wright	7
DuPont	158
Electric Pow & Light	5 7-8
General Electric	31 1-2
General Motors	43 1-2
Liggett & Myers B	98 1-2
Montgomery Ward & Co	38 3-4
Reynolds Tob B	37
Southern Railway	11 7-8
Standard Oil N J	33
U S Steel	52 1-8

Cotton Closes 1 To 8 Lower

New York, June 29.—(AP)—Cotton futures opened unchanged to 4 lower.

Futures closed 1 to 8 lower, middling spot 10.73, off 12.

Old contracts:	
July	10.25
New contracts:	
July	10.42
October	9.20
December	9.05
January	8.92
March	8.76
May	8.61

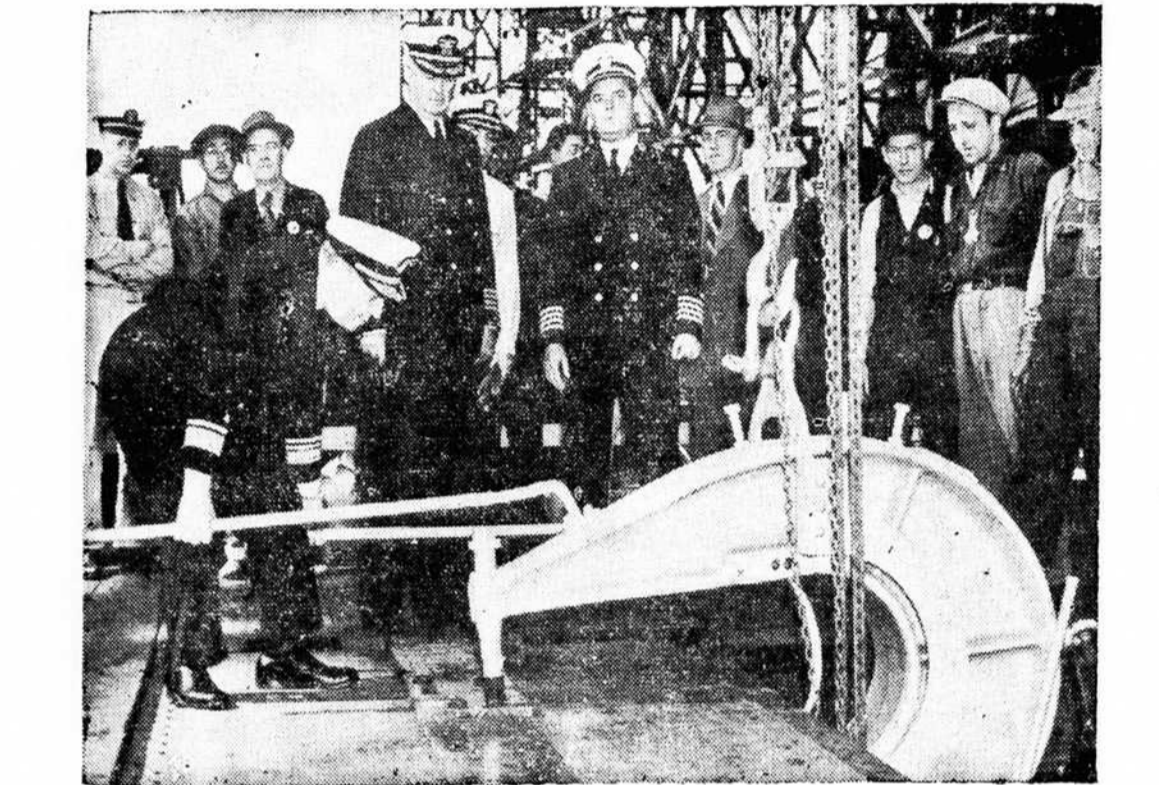
Weather

FOR NORTH CAROLINA.

Partly cloudy with scattered showers this afternoon and possibly near the coast tonight; Sunday generally fair and mild.

WEATHER FOR THE WEEK. Fair and warmer at beginning with occasional scattered showers, middle and latter part of week; cooler north portion near close.

Laying Keel of 45,000-Ton Superdreadnaught



Rear Admiral Clark H. Woodward, commandant of the Third Naval District, drives the first rivet as construction starts on the 45,000-ton superdreadnaught Iowa at the Brooklyn, N. Y., Navy yard. The ceremony was not open to the public. Awaiting their turn at the riveting machine are Captains Charles A. Dunn (left), industrial manager of the navy yard, and Thomas B. Richey, yard production officer. Peeking between them is commander J. E. Kiernan, hull superintendent. The Iowa, largest battleship ever put on the ways for the navy, is expected to be three years abuilding.

Young Asked Roosevelt Signs To Serve

Washington, June 29.—(AP)—President Roosevelt has asked Owen D. Young, retired board chairman of the General Electric Co., to assist and advise Sidney Hillman, CIO leader who is in charge of training workers for national defense activities.

Stephen Early, the president's press secretary, told reporters today that Young had been asked to help Hillman temporarily, particularly on the government's youth program and the Civilian Conservation Corps.

Young was a White House visitor yesterday.

Early said he thought the retired industrialist would comply with the request.

Meanwhile the exact extent of the state of emergency now existing in the nation and the secrecy-veiled plans of the main United States battle fleet aroused capital conjecture.

Three lines in a presidential proclamation which accompanied a Treasury department order yesterday raised the question of whether the limited state of emergency announced by Mr. Roosevelt on September 8, 1939, had been broadened.

The proclamation, after stating that the conditions of September 8 continued to prevail, declared "the existence of a national emergency by reason of the threatened disturbance of the international relations of the United States."

The September 8 document made no mention of a "threatened disturbance of the international relations" (Continued on Page Three)

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General deGaulle Estimates French Dead and Captured

London, June 29.—(AP)—French General Charles de Gaulle estimated today that German forces captured 358,000 men in the Flanders phase of the big battle in Belgium and France and 600,000 in the "battle of France," killing 60,000 and wounding about 300,000.

The figures were issued by Professor Dennis Saurat, director of the French Institute.

De Gaulle was quoted by Saurat as asserting the French army was beaten without being able to fight because the German tanks behind the front line destroyed supply convoys, because the civilian population made the roads impassable, and because in many cases troops had to surrender because of lack of ammunition.

Italian Destroyer Sunk By British

Chiro, June 29.—(AP)—The sinking of one of three Italian destroyers in an engagement last night was announced today by the British navy.

A British communique said: "British naval forces operating in the central Mediterranean on the evening of June 29 sighted three enemy destroyers which retired at high speed. In the ensuing chase one enemy destroyer was sunk."

No British casualties were reported.

In Statement Accompanying Action, President Repeves States Undertaking To Deal Individually With Alien Residents.

Washington, June 29.—(AP)—President Roosevelt signed into law today a bill requiring registration and fingerprinting of approximately 3,500,000 aliens in the United States.

In a statement issued simultaneously, the President expressed hope that no "loyal aliens" would be subjected to harassment in the course of this program, but added:

"With those aliens who are disloyal and are bent on harm to this country, the government, through its law enforcement agencies, can and will deal vigorously."

In effect, Mr. Roosevelt reprovved some states and communities which have undertaken to deal with aliens individually.

"The only effective system of control over aliens in this country must come from the federal government alone," his statement said. "This is as true from a practical point of view as it is from a legal and constitutional point of view."

"Since Congress by the act has attempted to provide a single and uniform method of handling this difficult problem of alien registration in this country, it seems to me that attempts by the states or communities to deal with the problem individually will result in undesirable confusion and duplication."

Federal agencies coordinated final plans for the start of active operations against the new public enemies (Continued on Page Three.)

Revenues From Gasoline, Sales And Incomes Will Be Near \$50,000,000

Raleigh, June 29.—As North Carolina's tax revenues this fiscal year reach a high they have never previously attained, it is of more than passing interest to note that three tax schedules—gasoline, sales and income—will come within a gnat's hair of reaching \$50,000,000 this year, if indeed they fail at all to make that figure.

The regular standby, North Carolina's 6 cents a gallon levy on gasoline, will, as ever, total more than the other two big tax producing levies. On June 26 there had been collected for the fiscal year which will end Sunday, no less than \$25,895,000 plus. That will likely be the final figure for the year as there appear to be no more outstanding sources from which further gas tax revenue is due.

The sales tax—by the first time since its imposition—will pass \$12,000,000 for the year. On June 26 that stood at \$12,100,000 and some odd thousands; while the income tax collections were pushing \$12,000,000 so closely there still remains a chance that the million a month average will be reached before the books are finally closed.

With the chance still open for more sales and income receipts there is at least a strong possibility that the combined total will reach the \$24,105,000 needed to make up \$50,000,000 from the big three of Tar Heel tax sources.

The prediction of this bureau some days ago that total revenues will pass \$75,000,000 for the fiscal year has already been fulfilled.

The prediction was made on the assumption that this June's tax collections would at least equal those of June, 1939. As a matter of fact they will exceed last year's sixth month by at least half a million dollars.

Revenue of the general fund will increase this month at least \$300,000 over June, 1939, while there will be an increase of approximately \$200,000 in the motor vehicle division collection.

(Continued on Page Seven)

Sporadic Fighting Reported; Hungary Threatens Invasion

Italo Balbo Is Killed In Plane Crash

Rome, June 29.—(AP)—Marshal Italo Balbo, governor general of Libya, was killed yesterday while piloting a plane over Torbruk, Libya, during an enemy bombardment, an official announcement disclosed.

The plane crashed in flames, killing all aboard.

The Italian high command issued the following special communique: "While flying over Torbruk during an enemy bombardment on June 28 the plane piloted by Italo Balbo crashed in flames. Italo Balbo and the members of the crew perished."

Flags of the armed forces of Italy are lowered in a sign of homage and high honor to the memory of Italo Balbo, Alpine volunteer in the World war, one of the quadrumvirate of the revolution, trans-Atlantic flier and air marshal, who died at his post in combat.

The dashing, colorful trans-Atlantic flier was one of fascists celebrities and sometimes was mentioned as a possible successor to Mussolini as Italy's next duce.

Since Mussolini sent him to Libya, however, at the height of his popularity, Balbo's name has been heard less often in connection with possible fascist succession than that of Count Ciano, Mussolini's son-in-law and foreign minister.

Marshal Balbo in 1933 led a historic mass flight of Italian planes to the United States.

He received such an ovation both in the United States and at home as a result of the flight that Premier Mussolini was rumored to have been displeased at his rapid rise in popularity.

Shortly after his return to Italy in 1933, he was appointed to the Libyan post, a move interpreted in some quarters as designed to remove him from the limelight.

U. S. Expected To Refuse To Concur In Japan's Stand

Washington, June 29.—(AP)—Strong indications were given today that the United States had no intention of concurring in the Japanese "Monroe doctrine" for the Far East enunciated by Foreign Minister Arita.

This government in the past opposed Japan's plans for a "new order in Asia" and officials indicated there has been no change in policy as a result of recent world events.

Arita Warns Occident

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Japanese Foreign Minister Enunciates Oriental "Monroe Doctrine" Policy

Tokyo, June 29.—(AP)—Foreign Minister Hachiro Arita warned the western powers today to make no move which might upset the status quo in east Asia or the South seas and emphasized that the future of these regions is "a matter of grave concern to Japan."

Arita, who delivered his warning in a radio broadcast to the empire, clearly enunciated an Oriental "Monroe doctrine" in which he envisaged east Asia "uniting under a single sphere" with Japan as the "stabilizing force."

At the same time the foreign minister declared that Japan's conflict with China is a step toward building a new order in the east founded on a "just and permanent peace" and he cautioned foreign nations to keep their hands off.

"We are determined," he declared, "to leave no stone unturned in order to eradicate all activities assisting Chiang Kai-Shek (head of the Chinese central government)."

Germans May Have Four French Ships

London, June 29.—(AP)—The possibility that Germany has seized four French men-of-war, giving her a six-to-three advantage over Britain in the Baltic, was reported today.

The four French ships, the 35,000-ton Richelieu and Jean Bart and the 26,500-ton Dunkerque and Strasbourg—to Germany's battleships Scharnhorst and Gneisenau would raise the Nazi battle fleet to the point where it could, with sufficient air and undersea auxiliaries, challenge the British battle line, these sources said.

This threat to Britain's grand fleet is far greater than that of submarines or Nazi air craft, in the opinion of these naval men.

With the four French ships, the Germans would have an edge in speed and weight of metal over Britain's three battle cruisers, the Hood, Repulse and Renown—the only British ships with speed to catch and enough guns to destroy the Germans two battleships.

Reports indicate Russians might have crossed limits through error; other war developments over wide areas.

Bucharest, June 29.—(AP)—Germany and Italy were said on high authority tonight to have assured Rumania that they would prevent any further Red army advances in King Carol's kingdom.

The informants, who are close to the palace and cabinet declared that the governments of Rome and Berlin had promised Rumania even land and air assistance if Russia made further attempts to overstep the line of territorial demarkation agreed upon by Carol in ceding Bessarabia and northern Bucovina to the Soviet.

(By The Associated Press) Armed forces of Soviet Russia penetrated deeper into Rumania today, reportedly passing boundaries of territory yielded under ultimatum, and the Balkans trembled under new war alarms as King Carol sped mobilization of 2,000,000 men.

Sporadic fighting accompanied the Russian thrust.

Reports through uncertain communications out of areas jammed with refugees and soldiers said the Red army occupying Bessarabia and northern Bucovina might have crossed agreed limits in error.

Semi-official sources said the Soviet forces were in two towns 15 and 25 miles west of the river Pruth, western boundary of Bessarabia.

Events of war and war-affected developments around the world were the following:

Great Britain, facing a crisis with Japan, ordered compulsory removal of all European women and children from Hongkong, British crown colony. United States officials were expected to follow suit.

Japan's foreign minister warned western powers that Japan would permit no upset in the status quo in east Asia and the South seas.

Hungary, watching the Russian invasion of Rumania with anxious eyes, rushed troops to the Rumanian border and threatened an invasion of her own if the Red drive should continue.

Hungarian officials said they had the support of both Germany and Italy in this stand.

In Berlin, however, German official circles scoffed at the idea that any great dislocations were in prospect for the Balkans, but acknowledged that Germany's interest was to prevent a spread of war to a region which is such an important source of raw materials.

Street fighting with perhaps scores of citizens killed and wounded was reported in Cernauti, Bessarabian city in the area which Rumania gave back to Russia rather than go to war. Communists and anti-communist residents fought before the Red army got there yesterday.

(Continued on Page Three)