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Hungary Mobilizes On Frontier

Navy Department Places Order For 45 Warships

Contracts Negotiated Under Law

Savings Estimated at
Price of Cruiser Said
to Have Been Effected
By Contracts; Vessels
To Cost Half a Billion.

Washington, July 1.—(AP)—The Navy today ordered construction of 45 warships to cost a total of approximately \$500,000,000.

The largest single contract-letting in Navy department history, the construction was assigned by Lewis Nixon, acting secretary, within two days after the White House had announced that President Roosevelt had signed legislation to speed up the defense program.

Officials estimated that this legislation, enabling the Navy to negotiate contracts without competitive bidding, would result in a saving of \$17,000,000—the cost of a cruiser.

Included in the construction ordered were eleven cruisers, 20 destroyers, 13 submarines and one large airplane tender.

These will total 193,000 tons. Cost of the 45 vessels not including armaments and propelling machinery for submarines was estimated at \$414,000,000. Officials estimated that armaments and the submarine propelling machinery would bring this to half a billion.

One of the provisions of the speed-up law permits advance payments to contractors of 30 percent of the contract total.

TRADE PACT.

London, July 1.—(AP)—An agreement for the purchase by United States government organizations of British reserve stocks of rubber and tin was announced tonight by the British colonial office.

AIR RAID

London, July 1.—(AP)—The air ministry and ministry of home security announced that enemy bombers crossed the British coast this evening.

Stock Market Drifts Lower

New York, July 1.—(AP)—Stocks drifted lower in today's session as traders lightened commitments pending clarification of political and business developments.

It was one of the slowest sessions in the past year or longer. Transfers in the four hours approximated only 100 shares.

Commons Radiator	6
Common Telephone	159 7-8
Common Tob B	77
Common Tobacco	20
Common Coast Line	11 1-2
Common Refining	21 1-2
Common Aviation	27 3-8
Common Steel	75
Common Gas & Elec	6 1-4
Common Paper	62 1-4
Common Solvents	9
Common Oil Co	6 1-4
Common Wright	7
Common	157 1-4
Common Power & Light	5 1-2
Common Electric	31 1-4
Common Motors	42 5-8
Common Myers B	93 3-4
Common Ward & Co	36 3-4
Common Tob B	10 7-8
Common Railway	32 5-8
Common Oil N J	50 7-8
Common Steel	50 7-8

Cotton Prices Are Mixed

New York, July 1.—(AP)—Cotton futures opened 2 to 5 lower. Closing prices were off 3 to 5 cents. July 1941, October 9.14, December 8.35. Noon prices, were 3 to 13 cents lower. July 1947, October 9.14, December 8.34. Futures closed four lower, 7 to 10 higher, middling spot 10.69, 64.4.

Did contracts	10.15	10.16
July contracts	9.17	9.26
October contracts	9.01	9.10
December contracts	8.94	9.01
January contracts	8.74	8.82
May contracts	8.59	8.68

Named Buying Chief



Donald M. Nelson

Former Sears Roebuck executive, Donald M. Nelson was named by President Roosevelt as co-ordinating agent for all federal purchasing in the U. S. defense program. Nelson will work with the National Council of Defense.

Report Made In Vote Case

No Announcement Regarding Alleged Irregularities in Third District.

Raleigh, July 1.—(AP)—Assistant Attorney General T. Wade Bruton studied the report of alleged preliminary irregularities in the third congressional district today but said there would probably be no announcement in the matter for several days.

Attorney General Harry McMillen was away on vacation when the report was received from W. A. Lucas of Wilson, chairman of the state board of elections.

The report deals with the investigation by Lucas and the State Bureau of Investigation into the removal of 1,500 ballots for the first Democratic primary of May 25, and the findings of some of the ballots, Lucas said, in the possession of Charles L. Abernathy, Jr., an unsuccessful candidate.

The removal of the ballots was discovered a week before the first primary and new tickets were distributed and used. Representative Graham A. Barden was renominated.

Bruton said he had the report "under consideration" but could say no more now.

Broughton's Questions, If Pressed Before Assembly, Would Start Real Argument

Daily Dispatch Bureau,
In the Sir Walter Hotel.

Raleigh, July 1.—The questions presented by J. Melville Broughton, if pressed before the 1941 General Assembly, really start something in the way of political arguments.

Take his query No. 10, for just one example. Said Mr. Broughton: "How can efficiency be promoted in our State administration? Is there too much politics of the questionable sort in some departments of our state government and, if so, how can it be eliminated? Should all State employees be placed under a merit system of appointment and employment and, if so, should this be coupled with a retirement compensation plan?"

That one alone would furnish ammunition enough for a knock down, drag out legislative battle such as hasn't been seen since the sales tax was imposed.

Your reporter has never heard it contended there is any "merit" system of employment in the State government except that those merit jobs were wise enough to support a winning candidate. Your reporter has repeatedly heard that not "some" but "all" departments of the State government play politics and the only test of the "questionable" nature of these politics is whether they were

Roosevelt Asks Enactment Of Excess Profits Tax Measure

Nazis Occupy Two British Islands

Berlin, July 1.—(AP)—German troops have occupied the British channel islands of Guernsey and Jersey, the high command announced tonight.

It said Nazi forces landed on Guernsey yesterday, and Jersey today.

Two British fishing planes were shot down in these operations, it said.

It was announced that the occupation was achieved by a "coup de main" of the German air force.

(These two islands, which the British previously had declared demilitarized, lie much closer to the German-occupied French coast than to England, and probably were considered undefensible by the British command.)

(Guernsey, 90 miles from Plymouth, is only half as far from the west coast of the Cotentin peninsula, at the tip of which is Cherbourg. Jersey is 29 miles southeast of Guernsey.)

(Indication that further channel islands may have been lost to the Germans came in an announcement by Western Union that telegraphic communications with Jersey, Guernsey and also Alderney and Sark had been suspended.)

Annenberg Is Sentenced

Chicago, July 1.—(AP)—M. L. Annenberg, who climbed from immigrant newsboy to one of America's wealthiest men, today was sentenced to three years imprisonment for evading \$1,217,296 in federal taxes on his 1936 income.

Germans Order Missions Closed

Berlin, July 1.—(AP)—The German foreign office advised the United States embassy and presumably all other embassies today to discontinue all diplomatic missions in Norway, Belgium, Luxembourg and the Netherlands.

These missions must be discontinued by July 15.

The foreign office informed the U. S. embassy that all political questions affecting these countries must be taken up through the mission in Berlin.

Broughton's Questions, If Pressed Before Assembly, Would Start Real Argument

designed to help the "right" man. If they are against the Administration, then, of course, they are "questionable."

Certainly Mr. Broughton was the gainer from such politics, questionable or otherwise, as were played by State departments during the late unannounced gubernatorial primary.

Your reporter has a hunch that if ever the question of a real "merit" system for state employees is tossed into the General Assembly, it will be tossed out again—principally because any real merit system might make it possible for a Republican to get a job once in a biennium or so.

But even the question of a merit system wouldn't kick up quite the howling from high placed State officials if ever the legislature got down to serious consideration of Mr. Broughton's questions under the numeral 3, based on the assumption that state revenues may suffer as a result of war conditions. Mr. B. listed alternatives of curtailing state services such as education, etc., increasing taxes, or effecting substantial economies in operation of the government.

"If the latter," he queried, "how are substantial economies to be effected? By elimination of certain State agencies and consolidation of these politics is whether they were

Ready for Race



Mr. and Mrs. Wendell L. Willkie are photographed together for the first time since his nomination as Republican standard-bearer. The Indiana-born New Yorker is resigning as president of the Commonwealth and Southern utility company to devote his full time to the campaign.

Feud Again To The Fore

Legislature May Take Drastic Action in Long Standing Agriculture Fight.

Daily Dispatch Bureau,
In the Sir Walter Hotel.

Raleigh, July 1.—There is quietly in the making a "plague on your houses" campaign in legislative circles which could conceivably result in application of very drastic remedies for the long-standing feud between the State Department of Agriculture and State College.

There hasn't been any noisy ballyhoo about the feud of late—there almost never is except during and just before meetings of the General Assembly—but there has likewise been no indication at all that anything has been done to heal the breach which has existed between the farm agencies for a long, long time.

There hasn't, for instance, been even one meeting (so far as has been ascertainable) of the committee which was appointed by the last legislature to do a job of "coordinating." Governor Clyde R. Hoey was to be its chairman and the personnel was so divided between the department and college factions that it was a practical certainty that the governor would have to decide a tie on almost every question. Maybe that's why there hasn't been any meeting of the committee.

But whatever the reason, it seems that the sum total of all efforts to bring the two groups closer together has been exactly zero. That's why there is a distinct possibility that something stern and decisive may be in the making for next legislature time. Eventually the law makers are going to get tired of being pulled and poked over during the recurrent rows.

In the last General Assembly the Department, under the banner of Commissioner W. Kerr Scott, won practically everything it sought—the College folks' best was to put the best possible face on things.

In the minds of most legislators

(Continued on Page Five)

REPORTS DENIED

London, July 1.—(AP)—The British ministry of information today issued an official statement that "reports that German troops have landed on the British coast and by parachute in the west midlands are untrue."

Weather

FOR NORTH CAROLINA.
Fair, slightly warmer in west portion tonight; Tuesday partly cloudy.

1223

Answers Ford



M. J. Coldwell

A leading leader of the Canadian House of Commons, M. J. Coldwell, today demanded that the Canadian government take over all Ford Motor Company interests in the dominion and forbid sale of Ford products there. Ford has refused to make airplane motors for Britain.

Graziani In Balbo Post

Leader of Fascist Conquest in Libya Named to Succeed Balbo, Killed in Crash.

Rome, July 1.—(AP)—Marshal Rodolfo Graziani succeeded the late Marshal Italo Balbo today as commander of all Italian forces in Libya, as the high command reported triumphs in the air, on sea and on land.

Graziani, leader of the fascist conquest of Libya and chief of staff of the Italian army, already has flown to the north African colony to replace Balbo, who died in a flaming airplane with eight military associates last Friday.

Capture of several British positions along the Egyptian border were claimed by the high command which also said that an Italian torpedo boat had sunk a British submarine. It reported at least eight British planes were shot down.

British Raid Nazi Targets

London, July 1.—(AP)—British bombers hit storage tanks at Hamburg and left them burning in further raids on military objectives in Germany Sunday night, the air ministry announced today.

Several targets attacked in the Danzig area and at Osnabruck and Hamm were again bombed, the air ministry communique said.

Airplanes on the island of Nordsee and west of Bremen also were attacked.

RUMANIA PREPARES FOR INVASION BY HUNGARIAN FORCES

Bucharest, July 1.—(AP)—Rumania, her forces retreating before Soviet Russia's Red army occupying Bessarabia and Bucovina, prepared tonight to meet a possible Hungarian invasion of Transylvania, which Rumanians said was imminent.

House Passes Legislation Requiring Registration Of Foreign Organizations

Washington, July 1.—(AP)—The House passed without debate and sent to the Senate today legislation which the judiciary committee said would subject the communist party and the German-American Bund to registration within close scrutiny of the Justice Department.

The measure would require the registration of:

- 1.—Organizations subject to foreign control which engage in political activities.
- 2.—Organizations which engage both in civilian military activity and in political activity.
- 3.—Organizations subject to foreign control which engage in civilian military activity.
- 4.—Organizations, any of whose purposes or aims is the establishment, control, conduct, seizure or overthrow of a government by the use of force, violence, military measures or threats thereof.

Backing Of Axis Powers Is Claimed

Germany Concerned Over Seizure of Materials by Russia; Faster Tempo To War In Mediterranean; Air Raids Continue.

(By The Associated Press.) German troops held British soil today for the first time in the war—capturing the English-owned channel islands of Guernsey and Jersey about 90 miles from Plymouth—to gain still another base for the projected assault on the island kingdom itself.

The channel islands, virtually emptied of inhabitants a week or so ago, lie southwest of German-occupied Cherbourg.

Germans said the occupation, long since discounted because the islands were left defenseless, was carried out by a "coup de main" of the German air force—apparently meaning the troops were landed by plane or parachute.

The seizure places Hitler's forces in no closer position for an invasion of Britain than they were already at Calais and other points.

In the war-fevered Balkans, Hungary mobilized troops on the Rumanian frontier and called for reservists throughout the nation, while an official Hungarian news agency declared "the general impression is that Rumania is on the point of collapse."

(By The Associated Press.) A thinly-veiled German courier to Russia's invasion of Rumania was seen today in the reported mobilization of Hungarian troops on the frontier of King Carol II's little Balkan kingdom—vital source of raw material supplies for Germany.

Hungary claims the full support of both Germany and Italy for any march into Rumania. In the event Soviet Russia's armies overrun the limits of coded territory, established in the agreement between Rumania and Russia.

Frontier incidents between Rumania and Hungarian troops were said to have prompted the Hungarian mobilization, and later an official news agency announcement said: "The general impression is that Rumania is on the point of collapse."

Nazi ire was reported aroused by Russian seizure of German-owned materials.

Berlin officials, while diplomatically coating any possibility of a German-Russian clash, said Germany's main interest was to prevent any disruption of her supply of vital materials—oil for her mechanized armies and foodstuffs—from Rumania.

Nevertheless, the Rumanian government has already appealed to Hitler to make Russia live up to last week's ultimatum agreement for ceded territory, thereby giving the Nazi Fuehrer an excuse, if he wants one, for marching into Rumania against Russia.

In any event, Rumania appeared the loser—threatened by an axis-supported Hungarian invasion to stop Russia and by a possible German move to safeguard Nazi interests in Rumania.

Balkan capitals reflected mounting nervousness over Russian plans in southeastern Europe as the Red army seized command of the lower Danube river, one of Germany's vital supply lines.

Coincidentally other dispatches said Russia demanded that Turkey grant her a share in the defense of the Dardanelles, key link between the Black sea and the Mediterranean, while Germany and Italy are concentrating on the battle against Britain.

Flurry of land and air fighting over the week-end on the Egyptian border indicated a faster tempo to the war in the Mediterranean.

The Italian high command reported the capture of several British positions, British bombing planes, striking at Germany in mass attacks in a warmap in the expected great battle for Britain, rolled over the north, west and south of the Reich during the night. German raiders also again attacked England, Scotland and Wales.

The German high command said the British sky raiders attacked "non-military targets" and that 18 were shot down—an indication that the attackers must have been in considerable numbers. The British said they shot down five or more planes over

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