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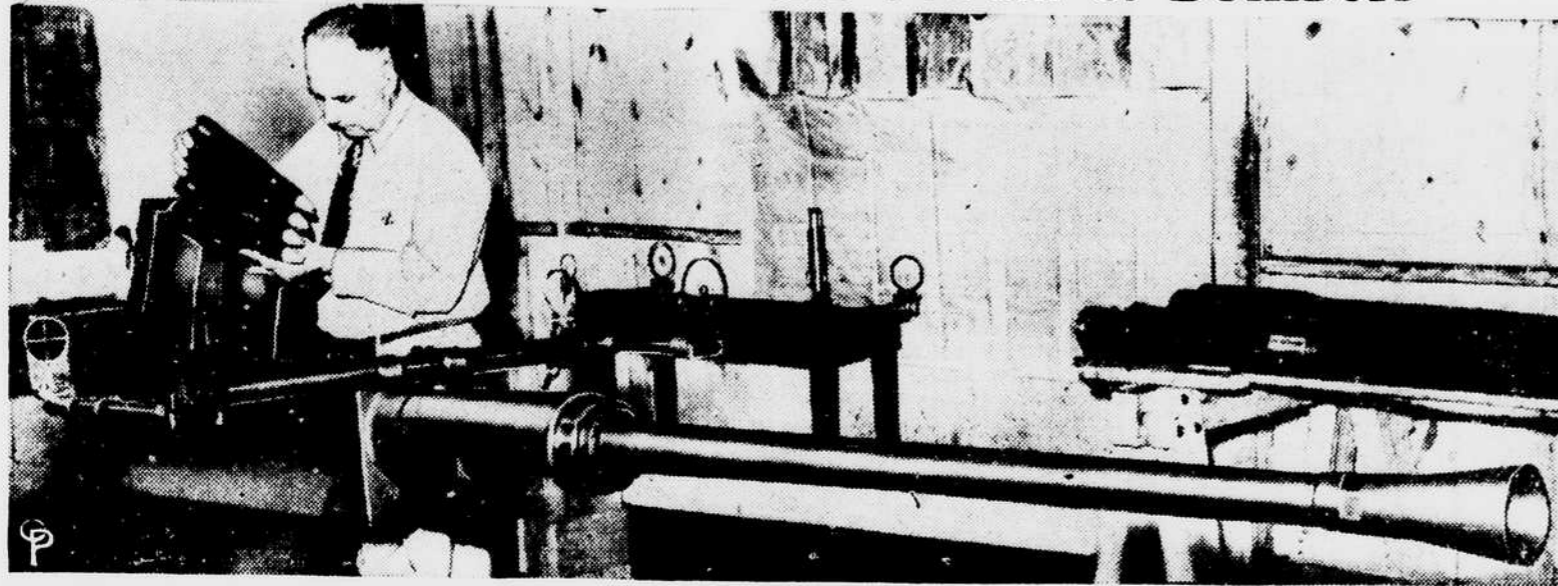
PUBLISHED EVERY AFTERNOON EXCEPT SUNDAY.

FIVE CENTS COPY

Nazis Capture Lwow, Poland

France Severs Relations With Russia

America's Answer to the Threat of Bombers



Glenn Petersimes, superintendent of Chrysler's gun arsenal in Detroit, aircraft gun made by the Chrysler Corp., and first of its type made in U. S. The guns can fire 120 shots a minute.

Spy Suspects Plead Guilty

29 Arrested. Beaverbrook Gets New Post

In Roundup

Seven Enter Pleas of Guilty to Espionage; 18 Plead Innocent at Arraignment.

New York, June 30.—(AP)—Seven of the 29 persons arrested in the government's big week-end spy hunt pleaded guilty today to espionage against the United States. Innocent pleas were made by 18 others, including two technicians described as having been associated closely with the manufacture of secret Army bomb sights.

Twenty-five of the suspects were arraigned in Brooklyn federal court and were held for trial July 15 under bail totaling \$425,000.

Two suspects who pleaded innocent were Herman Lang, 49, German-born draftsman who was said to have worked since 1934 as a factory inspector of the Norden bomb sight, and Everett Minister Roeder, 47, New York city native reliably reported to have been a draftsman since 1927 at the Sperry Gyroscope plant in Brooklyn where the Sperry bomb sights are made.

U. S. Marine Is Missing

Unidentified Marine Missing After Ship Carrying Detachment to London Is Sunk.

Washington, June 30.—(AP)—The Navy confirmed today that a foreign flag steamer carrying American Marines to London had been torpedoed, but for the present gave out no figures on loss of life.

The Navy statement did not name the ship, but a previous report from an authoritative official said it was a Dutch vessel, the Maarsden, now in British service.

In addition to Marines, Sumner Welles, acting secretary of state, said American Red Cross nurses were aboard. Neither Welles nor the Red Cross could

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Registration Tomorrow

Raleigh, June 30.—(AP)—Approximately 27,000 North Carolina youths who have become 21 years of age since Midnight, October 16 are expected to register for the draft state selective service headquarters announced today.

The registration will be handled by county draft board officials. In most cases, the registration will take place at the county draft board offices.

The registration will start at 7 a. m. and end at 9 p. m.

BRITISH IN SYRIA ENCIRCLE PALMYRA

Cairo, June 30.—(AP)—The British Middle East command announced today that the British have completely encircled Palmyra, French stronghold in the heart of the Syrian desert.

"In the Damascus and coastal sectors," a communique said, "further advances have been made. In the central sector the situation remains unchanged."

Is Minister Of Supply

Churchill Makes Second Cabinet Shift In Two Months, Elevating Former Deputy.

London, June 30.—(AP)—Stocky, energetic Lord Beaverbrook, who as minister of aircraft production has credited with quadrupling the output of British planes at a time when they were vitally needed, was appointed minister of supply today with responsibility for one of the most important jobs in the British war machine.

"The Beaver" was given wide responsibility for the manufacture of war goods in all Britain's factories. Observers, almost unanimously, interpreted his appointment as an indication that Prime Minister Churchill intended to set up a pro-Churchill ministry to take full advantage of Germany's preoccupation with Soviet Russia.

Churchill, in making his second cabinet shift in two months, abolished Lord Beaverbrook's old post of minister of state, to which he was appointed May 2 and in which he had been known as deputy prime minister.

Wheeler Asks Senate Probe Of 'Shooting'

Washington, June 30.—(AP)—Senator Wheeler, Democrat, Montana, proposed today that the Senate investigate whether the American Navy has "begun shooting" in carrying out its patrol activities.

Saying that Secretary Knox had declined to affirm or deny rumors that an American warship had sunk a German submarine, Wheeler added in a statement that "it is the duty of Congress to determine the facts."

Wheeler offered a resolution suggesting that the investigation be conducted by the Senate naval committee.

"If we have begun shooting, if we are in an undeclared war," Wheeler's statement said, "the Constitution of the United States, which provides that only Congress can declare war, has been violated. The persons who authorized or ordered any such shooting should be identified—and for any violation of the law of the land—they should be made to suffer the consequences."

WEATHER FOR NORTH CAROLINA.

Partly cloudy tonight and Tuesday, with a few scattered showers.

Other Nazi Columns Skirt Minsk, Reach Highway To Moscow

To Aid LaGuardia



Oliver Simmonds

Oliver Simmonds, member of the British parliament and chairman of the air raid defense commission, arrives at New York by Clipper plane. He will cooperate with New York's Mayor LaGuardia in connection with LaGuardia's job as civilian defense head.

While Germans Claim Successes, Russia's Army Appears to be Fighting West of 1939 Frontier, Except In Minsk Area.

(By The Associated Press.)

Germany claimed late today that Nazi panzer columns had driven approximately half way to Moscow, following the old Napoleonic road of conquest and that the destruction of Russia's Red Army defenses had gone so far that there was no longer a proper front.

The drive toward the Soviet capital would represent an advance of about 225 miles.

On the northern sector—presumably in the Minsk area—the Germans asserted they were pushing the Russians in retreat.

The Nazi spokesman indicated that Adolf Hitler's invasion forces already were in sight of Smolensk, 200 miles east of Minsk on the highway to Moscow.

Smolensk is about the halfway mark to the Soviet capital. The spokesman said a big pocket was being formed around Russian troops in the Smolensk region, while a special German war bulletin declared "on the north wing we are in constant pursuit."

Once again the implication was that Russia's resistance was crumbling under the impact of Hitler's lightning tactics, executed by a force which the Russians themselves estimated at more than 2,500,000 troops—presumably including Germany's allies, the Finns, Slovaks, Rumanians and Hungarians.

(By The Associated Press.)

Adolf Hitler's invasion armies, plunging across Sovietized "buffer" territory into the USSR itself, today reported the capture of Lwow, Poland, in a drive toward the rich Soviet Ukraine, while other Nazi columns skirted the White Russian capital of Minsk and reached the highway to Moscow, 150 miles northeast.

Nazi reports also asserted that German troops had entered a Soviet division—about 15,000 men—near the Baltic coast in a renewed push northward through Lithuania and Latvia.

The Rome radio said German motorized forces had occupied Minsk, 20 miles inside Russia's 1939 frontier, but Berlin officials merely noted that German columns had swept around the city.

It was in the Lwow sector, less than two years ago, that the routed Polish army was forced to capitulate to German forces who later yielded it to Russia when Poland was partitioned.

While the Germans claimed a rapid fire series of successes, it was apparent that with the exception of the Minsk area, Russia's Red Army still were fighting west of the 1939 Soviet frontier.

In addition, a Moscow communique declared that German attempts to knife across the Karelian isthmus from Finland, now fighting at the side of Germany, and to land troops by sea at Viipuri were repulsed.

Viipuri is on the Gulf of Finland, only 74 miles by railroad from Leningrad, Russia's second largest city.

The Soviet war bulletin also asserted that the Red Army still was holding against violent attacks ranging from Murmansk, on the Barents sea, to the vicinity of Minsk and on south through the Luck-Lwow gateway to the great wheatfields of the Ukraine.

In this region, between Luck and Lwow, a flaming battle of 4000 German and Soviet tanks raged into its fifth day with the Nazi juggernaut seeking to break through to the Ukraine capital of Kiev, 250 miles eastward.

BRITISH BOMBERS IN DAYLIGHT RAID

London, June 30.—(AP)—British bombers soared into a daylight offensive today against the northwest German cities of Bremen and Oldenburg, the air ministry announced, and battered at German shipping and a German island base off the Netherlands.

Two German ships, of 6,000 and 3,000 tons, were set afire and believed to have been sunk from a convoy of the island of Nordney by RAF explosives, the ministry reported.

At Least 200 Soviets Detained

French Communique Says Relations Broken Because Russian Agents Carrying Out Activities Inimical To French Security.

Vichy, June 30.—(AP)—France severed relations with Soviet Russia today and it was learned that at least 200 persons accredited to Russian diplomatic and consular services have been held for questioning.

Russian men and women who were held were concentrated in the stadium outside Vichy where only yesterday Chief of State Marshal Petain gave a flag to the French youth labor camp.

As soon as the break became known the Russians informed the United States embassy. It was not yet known who will take over Russian interests in France, but it was expected to be Sweden.

A communique said France had taken the initiative in breaking off relations because it was "learned with certitude Soviet diplomatic and consular agents in France were carrying out activities against the public order and security of the state."

Paderewski Is Dead

New York, June 30.—(AP)—Ignace Paderewski, 30, former Premier of Poland and world famous pianist, died last night at the Hotel Buckingham. He had been ill one week.

Dr. Asa L. Lincoln said the great musician's death was caused by pneumonia which he at first was deemed destined to overcome but from which he became gravely ill last Friday.

With him when he died was a sister, Madame Antonina Wilkonska, his doctor and his principal aide-de-camp, Sylvian Starekacz.

Paderewski had made his home at the hotel for more than a year, during which period he spent his time working in the interest of Polish defense and more recently in promoting the sale of United States bonds.

He had not actively appeared on the concert stage for some time but spent his leisure moments at the keyboard of the instrument through which he gained world-wide fame.

Paderewski died at 10:45 p. m. EST.

Paderewski's last concert tour in the United States, in 1939, was interrupted by illness. In May of that year, after finally completing his scheduled appearances, he suffered a heart attack.

After the pianist recovered from his heart ailment, he sailed for Switzerland, from which nation he watched the developments which enveloped his native Poland in war and saw it overcome by the axis powers.

In 1940, he returned to the United States with the declaration that he had left Europe because "I simply could not stand it any more."

Jackson Approved

Washington, June 30.—(AP)—The Senate judiciary committee approved unanimously today the nomination of Attorney General Robert H. Jackson to be associate justice of the Supreme Court.

The committee acted after Senator Tydings, Democrat, Maryland, had testified that the attorney general was unqualified for service on the court "by character, philosophy, and judicial temperament."

Tydings contended that Jackson had been "negligent" for refusing to prosecute Drew Pearson and Robert S. Allen, columnists, for a 1939 radio broadcast in which they said the senator had called upon the WPA to construct a road and a yacht basin on the Tydings estate in Maryland. Tydings declared the assertion was "silly" and announced to "charge me with larceny."

State Starts New Fiscal Year July 1 With Numerous Departmental Changes

Daily Dispatch Bureau. In the Sir Walter Hotel. By HENRY AVERILL.

Raleigh, June 30.—The State of North Carolina will start a new fiscal year on July 1 with more than the usual number of changes in departmental policies and personnel in fact with a few completely new departments and divisions which will be getting off from scratch.

Likewise it will be the beginning of a Broughton fiscal biennium and not only will there be a new governor in the capitol, but a large proportion of the departments will have new heads.

As usual there will be changes in the budgets of almost every department and, also as usual, these changes are for the most part upward; state spending soaring over previous years just as it has done for decades.

Among the completely new setups are (1) a Department of Motor Vehicles, (2) a Bureau of Motor Vehicle Inspection, (3) a Retirement system and board to handle it.

There will be more or less drastic shakeups in numerous existing agencies, including (1) removal of the tax on foods under the sales tax, administered by the revenue department; (2) placing of the sale of fortified wines in 26 ABC counties under the state ABC board (this also will bring certain revisions of revenue department procedure and regulations); (3) a new type of unemployment compensation commission; (4) inclusion of hospital care insurance commission; and (5) a new method of financing the State Bureau of Identification and Investigation.

New Setups. Taking up the new setups one by

one:

(1) Department of Motor Vehicles: Perhaps this is the most drastic reorganization or realignment of agencies undertaken by the Broughton administration. All agencies having to do with the control and supervision of motor vehicles (except purely tax collecting and gasoline inspecting and grading units) have been taken away from the revenue department and consolidated under one commissioner of motor vehicles. The governor named Boddie Ward of Wilson to the post and, despite some comment on the political angles, his appointment has been hailed as a good one. Mr. Ward has named W. H. Rogers, formerly his assistant division engineer while Ward was highway commissioner, as his deputy and has announced that there will be no further changes for some time and until he has had a chance to study the situation with care. There will be three main branches dealing with (a) registration, a division corresponding to the present motor vehicle unit headed by R. R. McLaughlin; (b) audit, a new division which will handle the budgetary and accounting sections, and (c) safety and patrol, including the two divisions now headed by Ronald Hocutt, highway safety director, and Major John Armstrong, patrol chief.

(2) The Bureau of Motor Vehicle Inspection, will be headed by Claude Abernathy, many-time representative from Nash county. All the mutual burial associations, which have a membership of approximately a million in the state, will be under strict supervision by this new agency, which will be financed by fees charged the associations.

(3) The retirement system was set

up by the 1941 legislature and the commission which will handle it, with Baxter Durham as the active executive official, has been preparing to begin official activities July 1. Without going into details, the setup provides retirement pay, based on length of service and average annual pay, for all state employees and school teachers. It will be for state employees in the nature of the federal old age insurance act for workers in private industry.

Shakeups. Reviewing the rather drastic shakeups in store:

(1) From and after July 1 the revenue department will collect no sales tax on food, for human consumption, except those sold in prepared form by restaurants and hotels. It has been estimated that this will mean a reduction of somewhere around 5 per cent of the entire sales tax collections.

(2) New wine law: Under a 1941 act, passed amid great confusion which shows plainly in the law itself sale of wines containing more than 14 per cent alcohol will be absolutely barred in all counties which have no ABC stores; and in the 26 control counties, sale of wines up to 20 per cent will be permitted only in certain designated classes of outlets (grocery stores, Grade "A" cafes, etc.) under strict regulations promulgated by the State ABC board. The North Carolina Association for Wine Control has pledged its cooperation by a campaign of self-regulation.

(3) U. C. C. change includes the setting up of a new command group. Instead of the old three member-

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