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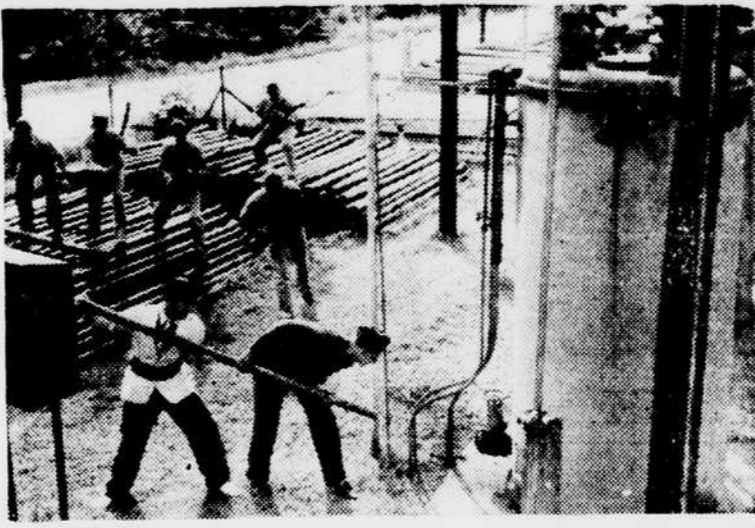
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Official Secrecy Bars Details of Russo-German War As

Shock Troops Storm Stalin Line

Dentz Negotiates For Armistice

'FIFTH COLUMNISTS' DEMONSTRATE HOW TO SEIZE CITY



Taking a lesson in subversive technique, cadets from the Reserve Officers Training Camp at nearby Clemson College "invade" Anderson, S. C., and demonstrate how Fifth Columnists would go about seizing a city. Upper left: The "Fifth Columnists" seize the Anderson airport in a surprise attack. Upper right: next they attack the power plant on the outskirts of the city and theoretically put it out of commission. Lower left: machine gunners of the "invading" force take positions on a roof and train their weapons on the main street as "mopping up" continues. Lower right: Having "seized" the newspaper, "Fifth Columnists" Jack Nash (standing at left) and J. T. Manning (seated in center) stand guard with drawn guns as their colleague, T. E. Morris (standing at right) dictates a news story of the "invasion" to Reporter J. B. Hall.

Fighting In Syria Is Stopped

Vichy Commander, Left Free to Seek Peace Terms After French Refusal, Treats Directly With British Authorities.

Beirut, July 12.—(AP)—General Henri Dentz, the Vichy commander in chief in Syria, has entered into direct negotiations with the British looking toward an armistice after the refusal of the French government to accept British terms, it was announced officially today.

A French delegation left Beirut this morning to meet British authorities and negotiate conditions of a settlement.

London dispatches said fighting had stopped last midnight. The Cairo headquarters of the British Middle East command said the British and Free French were ordered to cease fire at that time, after Dentz agreed to negotiate on British terms.

General Dentz acted as soon as he received word from Vichy that the eleven-point British armistice terms had been turned down by the government. In declaring the terms unacceptable, Vichy left General Dentz free to negotiate an armistice if he thought it essential from the military standpoint.

New Air Force Head



Brig. Gen. Carl Spaatz

Brig. Gen. Carl Spaatz, appointed chief of the air staff of the newly established "Headquarters of the Army Air Forces," is directly under command of Maj. Gen. Henry H. Arnold, who becomes chief of the air forces. From now on, Maj. Gen. Arnold's department is an independent unit within the war department, accountable only to the chief of staff.

War Flares At Border

Peru Declares Fresh Ecuadorian Attacks Experienced, Orders Resistance.

Lima, Peru, July 12.—(AP)—The Peruvian foreign office declared today that fresh Ecuadorian attacks had been experienced at seven places along the eastern frontier and that since it would be useless to protest, an order has been issued to Peruvian troops to repulse with arms any new aggression.

The communique declared the government believed that neither the government nor the people of Ecuador are prepared to discuss peacefully the conflict.

The commander in chief of the fifth division of the army, who is at Iquitos (in the Amazon jungle), announced that at 9 a. m. July 10, Ecuadorian forces appeared on the Tigre river and attacked the Peruvian force at Bartra, said the communique.

Dispatches from Quito, Ecuador, at the same time said however, that Peru was concentrating armed forces at Latacunga, Azuay, and other border points and that Peruvian war planes were active in the border zone.

Both Sides Withhold Major News

DNB Says Assault On Stalin Fortifications Started Yesterday and Was Reinforced Today by German Shock Troops.

(By The Associated Press)

German reports declared today that new shock troops were storming the northern wing of the Stalin line but for the fifth consecutive day the German high command found it advisable to report only that the campaign against Russia was proceeding "according to plan."

The Red Army command, either in triumph or in duplication of Adolf Hitler's official secrecy, declared that no major changes had occurred on Russia's western front.

DNB, Germany's official news agency, whose bulletin quickly followed the German high command's communique, said the assault on the deep Stalin fortifications started yesterday and was reinforced early today by shock troops.

The precise point of attack was not specified, but the agency said cryptically it was in "the wet zone of the Stalin line," presumably the north central sector where the line follows the Dnieper river between Orsha on the north and the Ukraine on the south. The Dnieper flows into the line from the northeast.

Perhaps talking about the same thrust which the Germans described as storming of the Stalin line, the Red Army declared that its bombers, artillery and antiaircraft had smashed German attempts to cross rivers along which Russians were massed in anticipation of a major assault.

One dispatch said the Germans had nine pontoon bridges on "X" river, three of which were destroyed by bombers while troops and heavy tanks were crossing.

A motorized infantry battalion was reported similarly destroyed after it had crossed another unidentified river on pontoons.

The communist party organ Pravda reported that the city of Pinsk, deep in the marshes of the same name and far behind the German lines, remained in German hands.

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Georgia Leaf Market Date Protested

16 Danish Ships Taken

Maritime Commission Seizes Vessels; FDR Orders 16 Axis Merchantmen Forfeited.

Washington, July 12.—(AP)—The maritime commission announced today it had taken over 16 more Danish cargo vessels laid up in United States ports, bringing to 31 the number of Danish ships acquired under the recently enacted ship requisition act.

In addition, the commission has taken possession of one Italian vessel under the act, and President Roosevelt last night ordered forfeited 15 Italian and one German vessel under the espionage act of 1917.

All the ships are part of the 80-odd idle foreign vessels which recently became subject to the jurisdiction of the United States.

The maritime commission said its representatives in four Atlantic ports boarded the 16 Danish ships today and assumed title and possession.

This made available for the defense needs of this country more than 95,000 dead weight tons of shipping.

NEW TYPE EXPLOSIVE DEVELOPED BY NAVY

Washington, July 12.—(AP)—Rear Admiral W. H. P. Blandy disclosed to the house naval committee today that the navy has a new type of explosive and plans to construct a complete, new \$70,000,000 plant for its manufacture.

The chief of the navy's bureau of ordnance would not describe the explosive in open session of the committee, but said "it is brand new."

Blandy testified at committee hearings on a request by the navy for authority to contract for \$585,000,000 of additional shipbuilding and ordnance facilities.

Washington, July 12.—(AP)—The Navy reminded mariners again today that it was continuing practice mine laying in New York harbor.

Proposed Tax On New Cars Would Yield \$3,500,000 Added Revenue From State

Raleigh, July 12.—Should Congress finally adopt the tax plan recommended to the House Ways and Means committee, taxes paid into the federal treasury by or through the 600 automobile dealers of North Carolina would be increased by about \$3,500,000 annually.

That, incidentally, is approximately the same sum which will be added to the motorists' tax bill in this state if the \$5 per private automobile "sticker" plan is approved.

With \$3,500,000 added to the new car and accessories tax bill, the total of state and federal taxes paid by reason of the dealer's business would run to about \$8,500,000 a year, as the yield on new car business is slightly above \$5,000,000 in the state at present.

Items going to make up this big total include \$2,975,000 in federal excise taxes under the present 3 1-2 per cent schedule, \$600,000 on accessories, tires and tubes, \$200,000 in state privilege and dealers tag licenses, and \$1,275,000 in state sales tax.

Of course it is true that the greater part of these taxes are, like almost all others, passed along to the hapless ultimate consumer, in this case the car buyer.

Here's how the figures for taxes were arrived at:

Sale of new passenger cars in the state, as reported by the North Carolina Automobile Dealers Association, reached 24,600 passenger cars and 8,000 trucks, a combined total of 42,600 vehicles for the first six months.

That's about 85,000 a year, which at an average value of \$1,000 per vehicle makes sales volume \$85,000,000 annually.

Applying the 3 1-2 per cent tax rate, the yield is \$2,975,000. This will be exactly doubled under the proposed new schedule.

Estimating the taxes on accessories, tires, tubes, etc., is a bit more complicated and difficult; but it is safe to figure that of the expected \$60,000,000 revenue expected from this class, North Carolina will contribute at least two percent (that's about the proportion of registered

vehicles in this state and in the nation). That would make the North Carolina part about \$1,200,000 under the new 5 per cent rate. If, then, there is about \$600,000 under the current 2 1-2 per cent levy.

The sales tax is not hard to figure. All new cars being priced at more than \$450, each sale carries the North Carolina single sales item of \$15. On 45,000 vehicles this would amount to \$1,275,000.

Therein lies something of a surprise. The figure means that almost ten per cent of the entire sales tax collections in North Carolina come from sale of new automobiles.

With food for home consumption now exempt from the sales levy, it is likely that in the future the automobile sale's proportion of the total will be even greater.

Privilege taxes run from \$25 in the smallest localities to \$200 in the largest cities. The ad valorem taxes cannot be accurately estimated. A conservative estimate of revenue from privilege taxes and dealer license taxes is \$2,000,000 annually.

This gives an itemized list like this:

Federal excise tax (new cars) \$2,975,000; Federal excise tax (accessories, tires) \$600,000; States sales tax \$1,275,000; Privilege, etc. \$2,000,000. Total \$8,500,000.

That's under the present federal schedules. Doubling the rate on cars and accessories would yield an additional \$3,500,000, making the grand total in prospect about \$8,500,000 a year.

Finns Run Out Of Gas

Helsinki, Finland, July 12.—(AP)—The fuel shortage has become so acute in Finland that the government has decreed no more pure gasoline may be sold as motor fuel after July 14.

WEATHER FOR NORTH CAROLINA

Considerable cloudiness tonight and Sunday with occasional local showers, slightly cooler in the interior Sunday night.

Ten-Day Delay Asked

Hearing Set for Wednesday in Durham; Georgia Crop Delayed by Weather.

Atlanta, July 12.—(AP)—Protests of Georgia tobacco growers on the proposed August 5 opening of bright leaf auctions will be heard Wednesday at Durham, N. C., by the sales committee of the Tobacco Association of the United States, Agriculture Commissioner Tom Linder announced today.

Linder made public a telegram from H. R. DeLo, chairman of the committee, inviting Linder and representative growers, to appear at the Washington Duke hotel at Durham at 11 a. m. Wednesday to present their arguments for postponement of the auction. The Georgia commissioner said he expected to arrive "75 or 100" growers to accompany him to Durham.

Linder last week appealed to the tobacco association for a ten-day postponement of opening day, contending adverse weather conditions in May and June had retarded the crop and assisting growers would not have time to grade their stock properly, thus making them liable to lose up to \$2,000,000 in marketing their leaf.

AUTONOMOUS ARMY AIR FORCE FORMED

Washington, July 12.—(AP)—Organization of the headquarters of the new autonomous army air forces was announced today by the war department.

Major General Henry H. Arnold, deputy chief of staff of the army for air and also chief of the army air forces, heads the forces.

TAKES OATH

Washington, July 12.—(AP)—Robert H. Jackson took the oath of office yesterday as an associate justice of the Supreme court at a ceremony in President Roosevelt's office.

Gas Wasters Are Arrested In Capital

Washington, July 12.—(AP)—Fifty-two motorists whose exhaust pipes leaked so much that police felt they were wasting gasoline needed in the new petroleum conservation program fell into the hands of the law today.

No formal arrests were made but, at the direction of Petroleum Coordinator James H. Doolittle, 52 drivers to District of Columbia police headquarters where their vehicles were impounded.

"Red stickers" were placed against

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Mortal Battle Rages Over 'Birthplace of the Nation'

Raleigh, July 12.—The Russo-Nazi war has faded into the background as the conservation departments of Virginia and North Carolina have rushed into mortal combat over the momentous question—Which of the two states is the "Birthplace of the Nation?"

Director White of the U. S. Dominion forces is charging John Horne of the Tar Heel advertising committee is countercharging. Newspaper writers are chucking as they state-ment is met with equally biting reply and rebuttal.

"I find Fearing over at Mountain side of 'The Lost Colony' isn't hanging out his hat and getting ready to say for the publicity that he's a card game of the word order and a chap without a scintilla of gratitude.

Everybody is—ought to be—happy, except Dr. C. C. Crittenden, who has landed right squarely in the middle of the blitzkrieg without even a tin helmet and who appears to be decidedly behind the right ball.

How come? Well, it's this way. Mr. White, after writing a number of polite and "later" not so polite notes to Mr. Horne, has broken into print with a threatened "exposure to the world" of North Carolina's "end-city" in advertising that it is the "Nation's Birthplace." The very idea! Remember Jamestown? Remember John Smith? Remember Pocahontas? Virginia, Tennessee and Georgia, is the only authentic guarantee, dyed-in-the-wool "Nation's Birthplace," pages Mr. White, and no upstart like North Carolina, that

colony (1584) should distill to glory or decay this fact.

But Mr. Horne refuses to accede to dictation. So does Direct. Bruce Etheridge of the C and D's. So does Joe Zales.

North Carolina, Mr. Etheridge proclaims loudly and boldly, not only refused to accede to dictation but "to be intimidated."

"Bang! Bang! With both barrels, just like that."

"The result is that North Carolina, Virginia, Montana, Ste. Walter, Robert, Mr. White, Mr. Horne, Director Etheridge and Paul Green get their names spread all over the papers—something which nobody of course could possibly intimate they rejoice in.

Where does Dr. Crittenden come in? Like this: After Mr. White had complained to Mr. Horne against the injustice of it all because North Carolina kept advertising itself as the "Nation's Birthplace," Mr. Horne said him down and wrote the secretary of the N. C. Historical commission for his opinion.

"Did Dr. Crittenden, like a true and real Tar Heel should, silence the dastardly colony with facts, figures, or even fancies to smash Virginia's bragging boasts? He did not.

Instead he mildly—no doubt quite accurately, pointed out: "Our nation was formed from Massachusetts and New York and Pennsylvania and Maryland and Virginia and North Carolina and all the other thirteen

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More Island Base Moves?

Portugal Would be Forced to Yell if U. S. Occupies Azores, Stewart Says.

By CHARLES E. STEWART

Central Press Columnist

Washington, July 12.—Now, Congress is asking that in its official capacity but in the course of cloak-and-dagger operations, will we establish bases in the Azores and Cape Verde island bases?

There's been more talk of it than there was of Iceland occupation. Our Icelandward move took most of the lawmakers by surprise. An American landing on the Azores and Cape Verde wouldn't catch 'em off guard as much as Iceland did. Even Iceland, for that matter, was no unexpected bolt to Senator Burton K. Wheeler. Several days before President Roosevelt announced his action as commander in chief of the United States navy, but had told his fellow soldiers he'd had a confidential tip that some such development was coming. They generally thought, however, that his violent isolationism made him subject to that kind of hallucinations, and paid little attention to him. It seems his sources

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Herman Jonasson

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