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SIGNING BRITISH-RUSSIAN PACT



With Sir Stafford Cripps (left), British ambassador, and Josef Stalin, Russian premier, looking on, Vyacheslav M. Molotov, Soviet Commissar for Foreign Affairs, puts his signature on the British-Russian mutual assistance treaty in Moscow. The pact binds the two nations to full cooperation in their war against Germany and forbids either to make peace without the other's consent. — Radiophoto RCA Test Transmission.

Jap Cabinet Resigns

Fighting Is Bloody In The East

Few Details Available From Claims

Conflicting Reports From German and Russian Sources Hide True Progress of Nazi Invasion and Red Counter Attacks.

(By The Associated Press.)
Russia's Red armies reported today they had smashed a Nazi panzer thrust less than 120 miles from Leningrad, hurling the invaders back to the west, and British advisers declared the Soviet air force was holding its own in the bitter struggle with the Luftwaffe.

Far from being blasted out of the air and all but paralyzed, Russian warplanes were said to be attacking fiercely.

Informed quarters in London said the British military mission in Moscow had described the Red air fleet as a powerful fighting force, very much intact.

Moscow dispatches said the general atmosphere in Russian quarters late today seemed to be one of growing confidence as Germany's second offensive, now in its fifth day, appeared to be failing to gain ground as fast as the first Nazi onslaught through the Soviet frontier.

(By The Associated Press.)
German panzer columns, knitting deep into the Stalin line toward Leningrad, were reported today to have "wiped out" Soviet army forces at Balaja, 37 miles east of Pskov, but the Russians said their Red armies had smashed the new salient and hurled the invaders back to the west.

Soviet dispatches from the front said that a fierce Russian counter offensive was continuing on the central front, west of the Dnepr river, and that the Germans had been driven back even farther than the 19 miles claimed yesterday.

Violent fighting raged throughout the night, a Moscow war bulletin said.

Adolf Hitler's field headquarters again reported briefly that operations in the 20-day old invasion were "proceeding favorably" and that "in

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Draft Capsules Ready for Second Drawing



Slips bearing 800 consecutive numbers are inserted in capsules at selective service national headquarters in Washington in preparation for the second national draft lottery. Registrants are men who have turned 21 since the last drawing. Looking on are Maj. R. F. Davidson (left), in charge of registration, and Maj. George H. Baks, army chief of manpower.

Emperor Hurries To Tokyo

Resignation of Konoye Cabinet Comes Year After Formation; European Developments Believed Cause of Upheaval.

Tokyo, July 16.—(AP)—The cabinet of Premier Prince Fumimaro Konoye resigned on Tuesday.

It was announced that the emperor and empress are returning immediately to Tokyo from their summer palace at Haya, southwest of Tokyo.

The resignation came exactly a year after Prince Konoye was entrusted with the formation of a government which was to deal with grave issues arising from the war in Europe, including the German conquest of France and the Lowlands.

The Konoye cabinet was formally inducted on July 16, 1940, two days after the emperor commissioned Konoye with its formation.

Most widely known of the Konoye ministers was Foreign Minister Yosuke Matsuoka, who considered largely responsible for Japan's adherence to the Rome-Berlin alliance, and who personally negotiated a Japanese-Russian neutrality accord at Moscow last April 13.

The German attack on Russia contrasted the Japanese government with an embarking phase between two world wars, and there were reports that Matsuoka might urge to step out of that reason. His opponents charged that he had presided over the emperor's approval of international awards which proved contradictory.

Nazi Planes From East

London, July 16.—(AP)—An anti-Nazi British source declared today that the Germans were withdrawing some of their fighter planes from the Russian front to bolster defenses in the home front.

British air force sources said that the planes were being pulled back from the front line to be used by the Luftwaffe in Germany.

Some new heavy planes were claimed by the air ministry to shut down over Germany last night when, despite bad weather, British bombers swept over such as attacks industrial plants in the Ruhr section.

16th Draft Call Issued

August Quotas Totaling 3,278 Tar Heels Include 15 Vance Whites August 14.

Raleigh, July 16.—(AP)—The 16th call for men for the North Carolina National Guard is set for August 14. The quota for the month is 3,278, including 15 Vance Whites.

August 6—Edgewood No. 1, 12; Wilson No. 1, 10; Wilson No. 2, 13; Johnston No. 2, 24; Johnston No. 1, 22.

August 7—Nash No. 1, 14; Nash No. 2, 15; Edgewood No. 2, 11; Pitt No. 1, 12; Pitt No. 2, 11; Greene, 14.

August 8—Robeson No. 2, 13; Robeson No. 1, 17; Robeson No. 3, 10.

August 14—Simpson, 30; Wayne No. 2, 14; Vance, 15; Granville, 10; Lenoir No. 1, 11; Lenoir No. 2, 12.

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Two Steel Strikes End In Agreements

Work Stoppage on Navy Ammunition Dump, However, Presents Obstruction To Defense Program; Other Strike News.

(By The Associated Press.)
Two short-lived steel strikes were ended today, but Navy officers saw a definite obstruction to the national defense program in a work stoppage at a \$2,500,000 Navy ammunition dump being built near Fallbrook, Cal.

Some AFL workers walked out of the Fallbrook job last Thursday. A spokesman declared to disclose details of the dispute, but contended that the contractor had violated an oral agreement with the union and had failed to negotiate a written contract.

The Navy stated that the union demanded living allowances and pay for working time, excesses which it declared would increase the cost of the project by \$250,000 to \$300,000.

The two steel labor disputes involved CIO Steel Workers unions, the Great Lakes Steel Corporation at Ecorse, Mich., and the Copperweld Steel Company at Warren, Ohio. CIO officials had termed both walkouts unauthorized.

The Great Lakes trouble ended when the company and union reached a contract, previously signed upon. Plans called for a plant had declared they were striking because the contract had not been signed and because vacation schedules had not been posted as agreed in advance.

Settlement terms at the Copperweld factory provide for rehiring all but six strikers. In walking out, the union men had demanded the rehiring of twelve foremen who, they said, had quit rather than carry out company orders for the discharge of 30 workmen.

The conciliation service at Washington, D. C., announced today a tentative agreement had been reached for settling a wage dispute involving about 5,000 employees of the White Motor Company, Cleveland. The CIO-AFL Workers Union has been seeking a wage increase and threatening to strike if one was not forthcoming, but details of the union demands and the tentative settlement were not made public.

Knox Pleased With Progress In South

Jacksonville, July 16.—(AP)—Secretary Frank Knox of the Navy and a party of officials riding in 14 automobiles came here from New Bern this morning in a driving rain for an inspection of the Marine Corps reservation near here.

In the party were Major General Thomas Holcomb, commander of the Marine Corps, Representative Graham Barden, Commander C. H. Cotter, U. S. N., of Norfolk, Va., and Lieutenant Commander M. H. Nichols, U. S. N., in charge of construction at the base.

Immediately afterwards, the visitors left for Onslow Beach, where landing maneuvers will be conducted tomorrow and Friday.

Knox expressed pleasure at progress of defense projects in the South.

Mediation Effort Fails

(By The Associated Press.)
The defense mediation board announced today it was unable to work out an agreement between the AFL Chemical Workers Union and the Western Cart-ridge Company of Alton, Ill., but that the union had agreed to postpone a threatened strike until the board can make further recommendations.

The plant is working on an ammunition order of more than \$8,000,000 and about 550 workers are involved in the dispute, which is principally over wages.

At Galveston, Tex., work was halted at the Todd-Galveston Dry Docks, Inc., which is repairing vessels for the maritime commission. When the night shift of several hundred men walked out. About 1,500 persons are employed at the plant.

Axis Papers Assail FDR

Nazi Foreign Office Mouthpiece Charges Effort to Push U. S. Into War.

Berlin, July 16.—(AP)—German newspapers vied with each other today in bitterly assailing President Roosevelt after Deutsche Diplomatische-Politische Korrespondenz, foreign office mouthpiece, had accused him of trying to push the United States into war "arm in arm with bolsheviks."

The Korrespondenz articles asserted the policy of President Roosevelt and his advisers was "to leave nothing undone to approach closer to the theatre of war and finally to move directly onto the battlefields."

"In all openness," it added, "Washington circles already discuss, and know politicians like Wendell Willkie confirm the fact that Roosevelt considered secret obligations with England to combine the British and American fleets and that American intervention in Europe definitely is planned."

Rome, July 16.—(AP)—Germany and Italy are ready with the "necessary force" to meet United States "aggression," Virginia Gayda, authoritative fascist editor, asserted today, charging that President Roosevelt is planning to take advantage of the axis war against Soviet Russia.

In United States warships, the without warning on axis ships, Gayda wrote, they would reply and Japan would do what he said is "her duty."

President Roosevelt, Gayda said, was "preparing to profit from the moment to advance in intervention with allusion of surprising Germany and Italy and their associates with their flank uncovered."

Request Refused For Change In Opening Georgia Markets

Durham, July 16.—(AP)—The sales committee of the Tobacco Association of the United States today declined to change the date of the opening of the Georgia markets from August 5 to August 15 as requested by a delegation of Georgia farm officials.

Commissioner of Agriculture Tom Linder, who led the delegation, said he had received many requests from Georgia growers seeking postponement. Linder said that the market opening date is changed from August 5 to August 15.

W. T. Anderson, who led the committee, said the Georgia growers should be satisfied with the date of opening if the change were not made.

"The weather has been unseasonably," Anderson said, "and we have suffered from drought the last of which many who sell conditions say they have never seen in the state of Georgia."

H. R. Pettigrew of Richmond, Va., chairman of the tobacco growers and had received 10 requests from Georgia growers seeking to change the date.

A. D. Windsor, chairman of the N. C. Farm Bureau Federation, said the tobacco and North Carolina growers would be object to the change in the date of the opening of the Georgia markets in this state.

N. Y. Police Censured

Italian Correspondents Charge Uncivil Treatment As Liner Prepared to Sail.

Rome, July 16.—(AP)—Italian newspaper correspondents in New York reported today that American police had behaved uncivilly toward them and other Italian and German correspondents who were invited to proceed away from the harbor, but they found themselves faced with explicit denials of the correspondents that they would move only if accompanied by police.

The agency stated the police prevented the correspondents from speaking with the U. S. Italian and German officials.

First Deputy Police Commissioner John Severy in New York said police acted uncivilly when they invited the correspondents to leave the harbor.

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WEATHER FOR NORTH CAROLINA

Cloudy with occasional showers this afternoon and tonight and probably Thursday.

Red Industry So Dispersed As To Be Safe From German Bombers, Maisky Declares

London, July 16.—(AP)—Russian Ambassador Ivan Maisky said today that even if Moscow should fall to the advancing Germans, the Soviet Union's widely dispersed industries would be able to keep the Red army in the field "fully supplied."

"For years we planned dispersal of the heavy and light industries vital to the war effort to guard against air attacks," Maisky explained.

"Should Moscow fall, a catastrophe which I do not believe will occur, we will fight on supplied by these factories and growing industries hidden in the fields."

Although the Leningrad industrial region is threatened by German forces streaming through Narva and Pskov, the ambassador declared that area was not vital to Soviet war production.

An observer here said proof of Maisky's words lies in the almost total absence of German reports of bombed industrial targets in Russia, similar to Britain's industrial lands. They said the Luftwaffe has been robbed by a lance and by dispersal of targets in which it counted in France and Britain.

Huge Power Project Urged

Washington, July 16.—(AP)—Expenditures of almost \$1,000,000 for construction of power generating facilities during the next five years to meet pressing demands for electric energy was recommended today by the Federal power commission.

The commission suggested that the funds be advanced by a subsidiary of the FPC at a rate not to exceed \$100,000,000 to \$200,000,000 a year.

Such advances would be made to both private and public projects, on a self-liquidating basis.

Negro Convict Recaptured After Battle

Monday, July 15, a convict of the State Prison at Raleigh, who had escaped on a boat to the coast, was recaptured by the U. S. Coast Guard cutter, the USSC-100, off the coast of North Carolina.

Judge Bars Chart In Trial

Lexington, Ky., July 16.—(AP)—District Judge H. Charles Felt today barred admission of the tobacco industry's chart of a government estimate of the effect of a government control of the industry if it is being by the defendant companies.

He ruled, however, that the company, H. R. Mohr of Washington, could state that the witness found the conclusion to be reached that the industry and the government would be used in arriving at his conclusions.

The government called Mohr to the stand to support its contention that the estimates of the tobacco industry and the American Tobacco Company, which are being used by the government, are not reliable.

Sales Committee of Tobacco Association Decides Georgia Leaf Markets Should Open August 5; Hearing at Durham.

Durham, July 16.—(AP)—The sales committee of the Tobacco Association of the United States today declined to change the date of the opening of the Georgia markets from August 5 to August 15 as requested by a delegation of Georgia farm officials.

Price-Fixing Laws Unlikely At This Time

Washington, July 16.—(AP)—Despite disclosure by the draft board that specific methods of holding down rents and postponing the war emergency wage control construction, congress and states said today it would be unlikely to pass legislation on the subject until even be brought up for debate.

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