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FIVE CENTS COPY

U. S. Denounces Japan As Aggressor And Prepares To

Counter Jap Indo-China Moves

Invasion Of Russia Reported Slowing

Soviet-Jap Border War Is Reported

Authoritative London Quarters Declare Hitler's Thrust Into Russia Slowing Down or Stopped; Moscow Is Bombed Again.

(By The Associated Press.) Adolf Hitler's invasion of Russia is slowing down, it has not entirely halted, authoritative London quarters said today, while at Russia's back door there were unconfirmed reports that Japanese and Soviet troops had clashed on the Manchoukuo-Siberian frontier.

Official German news agencies reported that a large Russian force encircled at Novol, north of Vitebsk on the central front, had been smashed by Nazi troops "with extraordinary heavy losses."

The agency said 13,600 Soviet prisoners were captured.

German bombers attacked Moscow for the third successive night, the Nazi war bulletin said, pounding "vital military objectives."

The Russians said that the raiders, 150 strong, inflicted some casualties in another five and one-half hour assault, but no military objectives were hit.

Full details were immediately available on the reported clash between Japanese and Russian troops in the east.

Dispatches from Shanghai said the fighting was reported to have started last evening in the vicinity of Changshing, the scene of a Russo-Japanese "vest pocket war" in the summer of 1929.

London advices, picturing the German onslaught as having lost its momentum, declared there had been no re-grouping of Nazi armies for a third assault in the 23-day old conflict—such as might explain the present slow-down.

The Soviet high command reported that bitter fighting raged throughout the night in the three main theaters of action: on the Leningrad front, the Moscow front, and the Ukraine front.

It would indicate that there was again no change in the long battle line stretching from the Baltic to the Black sea.

Meanwhile, the London radio reported that 5,000 Nazis had risen up against the German conquest in Yugoslavia, attacking Nazi garrisons and outposts.

RAF BOMBS SINK ITALIAN VESSELS

Card, July 24—(AP)—The RAF reported today that its bombers sank at least three ships from an axis convoy off the Italian island of Pantelaria in the channel between Sicily and Tunisia, Tuesday.

One of the Italian destroyers escorting the convoy of four medium-size merchant ships also was hit by an air launched torpedo, the RAF communiqué said.

APPOINTED.

Raleigh, July 24—(AP)—Governor J. M. Broughton today announced the appointment of Dr. Eric Bell of Wilson as a member of the board of trustees of the North Carolina Sanatorium for the treatment of tuberculosis.

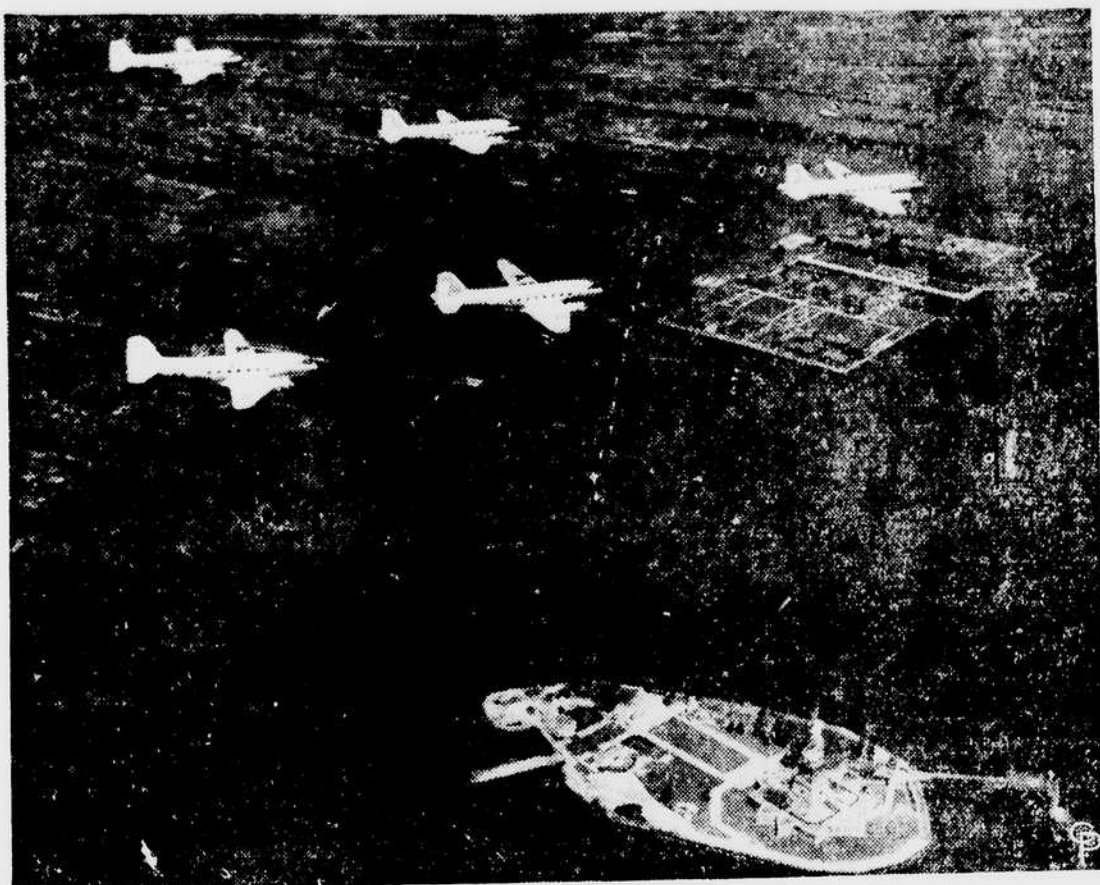
Scharnhorst Is Bombed

London, July 24—(AP)—The British announced tonight that RAF heavy bombers made heavy attacks last night and today on the 26,000-ton German battleship Scharnhorst, which had been moved from its old refuge at Brest to La Pallice, 240 miles to the south.

Attacks were also made today on her sister ship, the Gneisenau, at Brest, and on the docks at Cherbourg, the announcement said.

Several direct hits were claimed on both battleships including one by a "very heavy armor-piercing" bomb on the Scharnhorst.

V-Day in New York for Aluminum Drive



Forming the letter V, symbolic of the undercover campaign now being waged by the conquered nations in Europe, American Airlines planes thunder over the Statue of Liberty in New York Harbor, aiding the aluminum collection in the city. Countless tons of the precious metal were gathered.

HOUSE GETS TAX BILL

Union Signs Agreement

AFL Building Trades Agree to Prevent Strikes on Defense Building Projects.

(By The Associated Press) Federal action against the AFL Building Trades Unions, it was announced today, have reached an agreement designed to stabilize employment and prevent strikes on all defense building and construction work where the AFL unions are employed.

The agreement stipulates that uniform rates of overtime pay equivalent to time and a half shall be paid for more than 40 hours work even when only one shift is employed on a job and for more than 37 1/2 hours on jobs working two or more shifts.

The unions agreed that there would

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JAPANESE VESSELS HOVE TO OFF SHORE

San Francisco, July 24—(AP)—More than 10 Japanese ships bound for U. S. ports were reported to have hove to off shore today, as a result of Acting Secretary of State Sumner Welles' declaration that Japan's latest move against French Indo-China had endangered United States safety.

'Four Year' Sheriffs Face First Test At Polls Next Year; Other Races In State

Daily Dispatch Bureau, In the Sir Walter Hotel, By HENRY A'HEHE.

Raleigh, July 24—North Carolina's hundred sheriffs, all of them completing their first four-year terms, will get a test at the polls next year—a year which should bring more moderate political fireworks than a shooting war and its citizens disposed to pay little or no attention to local affairs.

Cautious thinking places next year's voting in the rather dim future, but actually it's only about ten months before the primary ballots are being cast and counted—and that's a very short time in which to organize and conduct a statewide campaign.

Looking back to paragraphs one, the sheriffs are now standing out the four years which the constitutional amendment voted in 1938 gave them, and it's dollars to doughnuts that at their convention in Elizabeth City next month more than a little time is taken up in unofficial comparing of notes and mopping of re-election strategy.

Likewise the fact that sheriffs will be chosen is regarded as the key to a large turnout next spring for all races. Almost all county offices will

U. S. SUBMARINES AIDING BRITISH, GAYDA DECLARES

Rome, July 24—(AP)—Virginia Gayda, authoritative fascist editor, declared today there was "suspicion" more than "well founded" that United States submarines are operating with the British fleet in the Mediterranean.

Nazi Fighters Withdrawn From East

London, July 24—(AP)—Unprecedented reports today that hundreds of German fighters were being sent to reinforce the RAF, according to a report from a French source, today by "exclusive agencies" that Germany has been compelled to withdraw substantial air forces from the Russian front.

"They are proud," the reports say, "of the major objective of preventing the British from getting a footing in the Soviet area. They are proud that all the power for the destruction of the Soviet are in their hands," the source said.

Their commander followed the declaration of an RAF source, "that we have never been so confident in our own victory since yesterday."

Nevertheless, news today today of British bombers and fighters have been shuttling across the channel in attacks against Nazi-occupied territory.

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Record Sum Is Proposed

Individuals and Corporations Would Dig Deeper Under Measure to Pay for Defense

Washington, July 24—(AP)—A \$2,529,260,000 tax bill—biggest in the nation's history and designed to make both individuals and corporations dig deeper than ever to finance the defense program—headed to ward House consideration today after approval by the ways and means committee.

Culminating three months of work, the committee stamped its final approval on the measure after a number of last minute changes, among them inclusion of non-occupational taxes on radio broadcasts and billboards.

New surtaxes on individual net incomes starting at 4 per cent on the last dollar of the income and ranging up to 10 per cent maximum of 10 percent maximum over \$20,000, would annually provide the payment of \$100 million for the defense program.

The bill also would increase the rate of net taxes on corporations from 34 to 40 per cent, but it would provide for a 5 percent reduction in the same number of days and a \$3,000 net income tax pay \$34.80.

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Don't Forget The Clock!

Raleigh, July 24—(AP)—Daylight-saving time in North Carolina will become effective at midnight Sunday.

That means that you'll go to church or play your golf Sunday on regular eastern standard time.

Just before you go to bed Sunday night, however, you should advance your clock one hour.

You'll wake on Monday morning on daylight saving time.

WEATHER

FOR NORTH CAROLINA.

Considerable cloudiness tonight and Friday, some likelihood of a few scattered showers.

Emergency Law Asked Of Congress

War Department Drafts Measure Which Would Retain Selectees, Guardsmen and Reserves in Service; Marshall Testifies.

Washington, July 24—(AP)—The War department drafted for the Senate military committee today a bill which would retain selectees, National Guardsmen and reserves in active Army service for the duration of an emergency to be declared by Congress.

Submitted by Secretary Stimson, the suggested legislation proposed that Congress declare that the "national interest and welfare of the United States are gravely imperiled by the international situation." It would lift the present restriction of 900,000 on the number of draftees who might be in training at any one time.

The measure also would limit that a national emergency existed during which the President would be "empowered to employ the armed land forces of the United States in excess of those of the regular Army in the national defense."

No specific mention was made in the proposed draft of eliminating present prohibitions against sending National Guardsmen and selectees out side the western hemisphere. Committee members said there was question whether this could be done under the proposed language.

The War department draft was received after General George C. Marshall, chief of staff, had rejected a proposal by Senator Carl Republic.

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Italy Claims Sea Victory

Rome, July 24—(AP)—The Italian high command reported today that its navy had sunk a large merchant ship and a heavy-armed British warship off the coast of the Mediterranean.

The Italian air force also had reported a \$1,000,000 prize of a South American steamship and a German liner in the Atlantic.

Seven Italian aircraft and three bombers were reported to have

Living Costs Still Below 1929 Level, Babson Says

By ROGER W. BABSON.

Babson P. Mass., July 24—We have been told today that the proposed cost of living bill is "a disaster" by a propaganda piece by labor leaders and men in Washington anxious to get more inflation and create more government jobs. A South used to say "facts don't get in the way of lies."

Here are the official figures. The U. S. Index is based on the 1935-1939 average as equal to 100.

Year	U. S.	Canada
1929	100	100
1937	124	109
1938	122	108
1939	122	111
1936-1939 Ave.	123	114

(July, 1941, living costs are still

Takes Byrnes' Seat



Judge Alva M. Lumpkin

Judge Alva M. Lumpkin took oath of office in Washington as junior senator from South Carolina to serve until a successor is chosen at a special election. He succeeds James F. Byrnes, who was appointed to the Supreme Court.

Wheeler's Peace Work Denounced

Secretary Stimson Says Mailing Postcards Urging Opposition to American Entry in War is "Near Subversive Activities."

Washington, July 24—(AP)—Secretary of War Stimson said today that Senator Wheeler, Democrat, Montana, had mailed postcards to Army officers and men urging them to oppose American entry into the European war.

"I think this is very near the line of subversive activities against the United States," Stimson said. "It is not treason," Stimson said in a brief statement.

The cards went out postage free, Stimson said, and were mailed "not printed at government expense."

A million of the cards had been printed in the government printing office, Stimson said, but were labeled "not printed at government expense."

Whether told regularly that he had sent out approximately 1,000,000 cards, Stimson said, he would have held the country in a grip "to keep this country out of war."

Some of the cards, Stimson said, reached officers and men in the army, the National Guard, and they were not directed usually to that group.

"I don't think that the committee to make the President of the United States or any of his officers or soldiers on the ground," Stimson said.

As to Senator Wheeler, Stimson said, the nearest he gets to subversion and treason is to suggest a "peace" card.

"Of course, no one should be too hard on the old man (Stimson). He is in his second childhood and sometimes acts a little queer."

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Japanese Forces Move Southward

American Government Reported Ready to Impose Sweeping Economic Restrictions, Paralleling Possible British Military Action

Washington, July 24—(AP)—Japan was denounced as an aggressor in French Indo-China by the United States today in a statement declaring American security, territory and interests in the Far East were menaced by action of Tokyo forces.

The statement, issued by Sumner Welles, acting secretary of state, was the first of expected counter actions on the part of the United States and Britain against the impending occupation of the French colony by Japanese forces.

Japanese warships were reported authoritatively to have arrived off Camranh Bay and Cape St. Jacques, strategic points in the colony.

Japan's action, Welles said, was primarily in preparation for future "movements of conquest in adjacent areas." The Philippine Islands would be endangered by such moves, he added.

Indications both here and in London were that the American government stood ready to impose sweeping economic restrictions on Japan, paralleling possible British military action to offset the threat against their Singapore naval base and the North Borneo East Indies which would be created by establishment of Japanese bases in southern Indo-China.

That the occupation was imminent if not actually underway already was indicated by dispatches from Saigon, French Indo-China.

Well-informed sources there said Japanese warships had appeared off Cap St. Jacques and Camranh Bay and that twelve Japanese transports were en route to Saigon from Hainan, Chinese island off the Indo-China coast.

Cape St. Jacques is a naval base on Indo-China's southeast coast and Cap St. Jacques dominates the mouth of the Saigon river by which ships reach Saigon.

Foreign consulates there said today that representatives in Hanoi and other cities of the Indo-China government of a French-Japanese agreement granting the Japanese certain naval and military concessions in the southern part of the colony.

The news came the announcement that France and Japan had

Wilson Draft Board Resigns

Wilson, July 24—(AP)—Wilson county draft board No. 2 and its civilian medical examiner submitted their resignations today to Adjutant General J. Van B. Motts in protest against the board's action in the Wilson.

Raleigh, July 24—(AP)—State selective service headquarters said today members of Wilson county draft board No. 2 and its chief medical examiner had been asked to defer their resignations, pending an investigation of their charges.

Wilson's board, played at Fort Bragg after it had been passed by the local authorities.

Board members asserted pressure had been brought to obtain his reelection because of the desire to retain the position in 1941 captain and second lieutenant of the Coast Plains club here. They did not, however, disclose himself and no part in seeking to secure military service.

The board is composed of W. L. Trethewey, World War Veteran and civil engineer, chairman; W. L. Shelton, farmer; and Ed W. Davis, Wilson newspaperman. Dr. R. H. Purney of Elm City is chief examiner.

Davis said the joint resignation to the adjutant general set forth in a letter. "We do not feel that we can faithfully discharge our duties under the selective service act if such methods and practices are tolerated."