Henderson Daily Dispatch

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Nazis Are Driven Nearer Rostov

Record State Budget Is Sent To General Assembly

Revenue Bill Would Make Few Changes

Measure Submitted to General Assembly Is Estimated to Raise More Than $104,000,000 in Taxes During Biennium

Raleigh, Jan. 12—(AP)—A revenue bill which it was estimated would raise more than $104,000,000 in taxes during the 1943-45 biennium was sent to the General Assembly today by Governor Broughton.

No major changes in the State's tax structure were contemplated in the bill. Only minor alterations, designed "to remove inequities," were suggested, and no change of any consequence was recommended for either the income tax or sales tax, both of which are big money raisers. Tax reductions were recommended for the time when "economic conditions have become more stabilized."

It was specified, however, that men in military service would not be subject to a tax on the income they receive from the federal government, and it was further recommended that the State withdraw completely from the collection of intangible taxes.

The accompanying machinery act recommended only two minor changes in the act passed by the last assembly.

Favorable action on the phase of the revenue bill dealing with the intangibles tax would bring to an end a controversy which has been going on ever since the tax was first levied in 1937. Counties and municipalities contended that they were entitled to the entire tax instead of a percentage.

As originally set up, the State deducted 4 per cent for the cost of col-

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FRENCH CHAD ARMY CAPTURES MURSUK

London, Jan. 12—(AP)—Fighting French authorities announced today that the French army of the Chad had captured Murzuk, capital of the Fezzan district of southern Libya, and that advance units also had occupied Sebha, 100 miles further north.

Four Zeros Shot Down

One American Fighter Lost in Action Over Central Solomons; Munda Base Raided

Washington, Jan. 12—(AP)—Four Japanese Zero fighter planes were shot down and one American Wildcat fighter was lost, the Navy announced today, when the Japs attacked a flight of our dive bombers in the central Solomon islands.

Japan's losses, however, both in the air and on the ground, failed to halt their efforts to develop a major air base in the central Solomons area at Munda, from which their planes can operate defensively against American aerial attacks northward from Guadalcanal and offensively against American installations on Guadalcanal.

A naval spokesman said in comment on today's communique that there seemed to be no doubt that the twelve Japanese fighters came from the Munda base on New Georgia.

The attack reported against Munda by American medium bombers, the Navy said, was characteristic of most of the almost daily series of raids which have been made over the Japanese installations there and that clouds hampered bombing and interfered with observation of results.

$105,060,538 Total Is Proposed 'War Bonus' Is Included

Schools Get Largest Increase of Bigger Appropriations Recommended for All Departments; Mental Institutions Would Get More Money

Raleigh, Jan. 12—(AP)—A budget message calling for the record expenditure of $105,060,538 during the 1943-45 biennium and the outlay of an additional $9,188,629 between January 1, 1943, and January 1, 1945, in paying a "war bonus" to State employes, including school teachers, was sent to the General Assembly today by Governor Broughton.

Without the bonus feature, the recommended general appropriations exceeded by nearly $10,000,000 the $95,120,385—the previous record—which the Legislature appropriated in 1941.

In addition, the message recommended that $21,921,597 and $25,719,033 be allocated to the highway department during the next biennium, compared with 38,349,351 and $29,818,875 during 1941-43.

Bigger expenditures were recommended for many of the State departments, with the largest increase recommended for the public schools. The schools would get several millions of dollars more each year of the biennium than they received for 1941-42 and 1942-43

Substantial increases were also recommended for the State's mental institutions.

The message, containing recommendations of the advisory budget commission, called for war bonus payments to all employes now receiving salaries below $4,500. The bonus would be paid on a sliding scale, with lower-salaried workers getting the highest percentage of increase.

Stipulating that this is not to be regarded as a recommendation for a permanent increase in pay for State employes, the commission said that payments should begin as of January 1, 1943, and continue for 24 months to January 1, 1945.

The bonus would be paid monthly from general fund surplus which is expected to reach $31,060,399 by the end of the current biennium. The commission estimated that $8,388,629

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More Bills Are Offered

Dellinger Introduces Measure to Eliminate Payment of Income Taxes in 1943-44

Raleigh, Jan. 12. — (AP)—Twenty-eight bills and one resolution, including the all-important finance and appropriations measure, hit the legislative hoppers today after Governor Broughton sent up his biennial budget message.

Representative Dellinger of Gaston introduced a measure to eliminate payment of income taxes during 1943 and 1944; Representative Tompkins of Jackson introduced a bill to promote vocational education by placing not less than one or more than two vocational teachers in every high school in every county; and Representative Barker of Durham introduced a bill to exempt members of the armed forces and merchant marine from poll taxes.

The senate and house adjourned until noon tomorrow.

Excluding the money measures the remainder of the new bills were considered of minor nature.

The governor's message, presented in printed form, was presented with a supplementary appropriations proposals to provide pay raises for teachers and State employees.

Two measures affecting North Carolina's capital punishment laws were presented in the senate. A measure by Senator Chaffin of Harnett would abolish the State's lethal gas chamber and return the electric chair, and Senator Leary of Chowan presented a bill to eliminate mandatory death sentences upon conviction of rape or first degree murder and provide for life imprisonment if the jury so recommends.

LaGuardia Asks More Oil

Washington, Jan. 12—(AP)—Mayor LaGuardia of New York today urged that tank cars be diverted from the southwest-midwest railroad run to bring more oil from the middle west to the eastern seaboard for relief of a critical fuel oil-gasoline shortage.

"What we need is for something to happen tomorrow, for orders to be issued tonight," LaGuardia said.

The mayor's proposals:

1. For the next 30 or 60 days, to New England and the north Atlantic states from refineries and load a larger portion of the supply terminals in the eastern part of District 2.

2. Reverse the pipeline from Philadelphia to Buffalo which has a capacity of 18,000 barrels a day but is now being used to move petroleum products away from the coast.

3. Coordinate Navy operations with delivery of civilian supplies of oil to ease terminal congestion and the freezing of storage tanks, terminal tracks and harbor equipment at New York for purely military operations.

4. "Eliminate divided authority" by putting distribution and rationing under one federal agency.

ARGENTINA IS SEEN AS TAKING POSITION WITH NEIGHBORS

Buenos Aires, Jan. 12—(AP)—Argentina's request that Germany withdraw her naval attache here, Captain Dietrich Niebuhr, on the grounds he is an undesirable character was interpreted in diplomatic circles today as a warning to Berlin that the Argentine government intends to cooperate with American neighbors in ridding this continent of axis espionage.

BRITISH CARGO SHIP IS SUNK IN ATLANTIC

Washington, Jan. 12—(AP)—The Navy reported today that a small British merchant vessel was torpedoed and sunk by an enemy submarine early in the December in the Atlantic off the northern coast of South America. Survivors have landed at Miami, Fla.

China Pleased With Treaties

Chungking, Jan. 12—(AP)—China's legitimate diplomatic aspirations, generally speaking, have been satisfied by the treaties signed yesterday with the United States and Great Britain abolishing extra-territorial rights, and China can now go to the peace conference on an equal footing with her allies, Foreign Minister T. V. Soong told a press conference today.

Discussing the treaty with Great Britain, Soong said China had raised the question of the status of the Kowloon leased territory, which is part of the Hongkong area, but that the British government was not prepared to discuss the question at present and consequently China reserved the right to revive the matter later.

Soong predicted that other countries with extra-territorial rights in China would follow the example of the United States and Great Britain in relinquishing them.

Institutions Fare Better In New Bill

State's Hospitals for Insane Would Get $3,540,619 During Biennium Under Proposed Budget; Current Appropriation $2,448,147

Raleigh, Jan. 12—(AP)—An increase of $1,092,341 in appropriations for State mental institutions was recommended today in the advisory budget commission's message to the General Assembly.

The recommendations, transmitted by Governor Broughton, called for a total expenditure of $3,540,619 during the 1943-45 biennium as compared with $2,448,147 for the current two year period.

The commission also echoed the governor's suggestion that all of the State hospitals for the insane, including Caswell Training School at Kinston, be placed under one responsible head with one board of trustees.

The message called for the aforegoing hospital to get $[illegible] during the fiscal year of 1943-44 and $686,630 in 1944-45. This compared with a $447,287 appropriation in 1941-42 and an estimated $[illegible] for the current fiscal year.

Recommendations for the other hospitals were:

Goldsboro—$415,260 in 1943-44 and $396,039 in 1944-45. This compared with $269,733 in 1941-42 and an estimated $320,074 in 1942-43.

Raleigh—$693,394 in 1943-44 and $633,921 in 1944-45. This compared with $461,041 in 1941-42 and an estimated $440,348 in 1942-43.

Kinston (Caswell Training School)—$199,539 in 1943-44 and $190,335 in 1944-45. This compared with $16,592 in 1941-42 and an estimated $215,714 in 1942-43.

The biggest issue for the biennium, $464,991, was requested for the State Hospital at Morganton, subject of an intense investigation last year by a Broughton-appointed committee following charges of ill treatment of inmates there.

A Morganton request for $526,361 to be spent on permanent improvements was not acted upon by the

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Corn Prices Are Frozen

Prices on All Exchanges and in Cash and Local Markets Set Generally at Yesterday's Levels

Washington, Jan. 12—(AP)—The office of price administration today froze corn prices on all exchanges and in every cash and local market over the country, generally at the highest levels at which sales were made yesterday.

The action, designed to halt further sharp advances in the price of corn, previously uncontrolled at all levels of distribution, was taken upon instruction from Stabilization Director James F. Byrnes, and was approved by Secretary of Agriculture Wickard, the announcement said.

The price ceilings were established by means of a temporary 60-day freeze regulation, effective immediately.

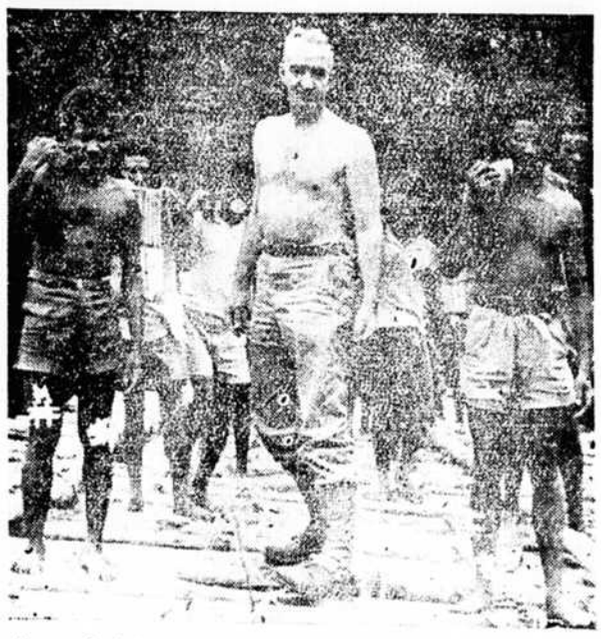
Prices of corn futures contracts and prices for cash corn in the recognized cash markets were frozen at the highest level of prices prevailing during the period January 8-12. In most instances, these highs were reached yesterday.

Corn prices at the small local markets were frozen at the highest level of prices prevailing yesterday.

WEATHER

FOR NORTH CAROLINA.
Colder tonight.

He's Long Way from West Point



A general who believes in sharing the discomforts and dangers of his troops is Lieut. Gen. Robert (Uncle Bob) Eichelberger, former Commandant of the U. S. Military Academy at West Point. He is shown inspecting native carriers who help tote supplies to our boys in New Guinea. He commanded Allied forces in the field in the successful campaign against the Japs at Buna and other northern Papua points. *(Central Press)*

Revenue Question Confronts Solons

Problem of Raising Additional $16,000,000,000 Overshadows All Other Problems in Capitol; Sales Tax, Compulsory Loans Are Talked

Washington, Jan. 12.—(AP)—One baffling question—how to raise an additional $16,000,000,000 this year for war purposes?—overshadowed all else on Capitol Hill today. Some prominent legislators mentioned a federal retail sales tax, combined with increased compulsory loans, as a possible answer.

[illegible] in Congress [illegible] foreign relations committee [illegible] call on Mayor La Guardia of New York for the back ground of [illegible] investigation of reports [illegible] that New York city materials and labor were used to repair the exterior of Ellis Island, a city-owned property [illegible] committee decided to hold hearings on the proposal to be announced [illegible] Monday.

[illegible] Senate committee on [illegible] prepared to receive speedy [illegible] information.

A special House committee on simplifying incident, presented in its final report to the gasoline rationing [illegible] and suggested appointment of a leading committee [illegible] "truly representative."

A special Senate committee, in

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Half-Billion Pounds Of Leaf Sold In State

Raleigh, Jan. 12.—(AP)—North Carolina growers sold more than a half billion pounds of flue-cured [illegible] during the marketing season and closed at an average price of [illegible] hundred pounds, W. P. Hedrick, the State Agriculture department [illegible] reported today.

Total production was [illegible] 28 per cent over 1941 and the average price was [illegible] per cent higher than the $23.94 average of the previous year.

The Asheville warehouse in Asheville sold 2,[illegible] pounds during December 2 for an average of $41.63, a [illegible] compared with last year's average of $31.40.

Coal Miners Renew Strike

Wilkes-Barre, Pa., Jan. 12.—(AP)—A walk-[illegible] of coal miners in one section of Pennsylvania [illegible] only a few hours after the anthracite governing body and the union had [illegible] made peace appeals to an end to the coming four-[illegible] walkout.

The Glen Alden Coal Co., Taylorville and Luzerne [illegible] collieries [illegible] were [illegible] on a limited scale yesterday, failed to resume full morning and New Year's [illegible] as an estimated [illegible] miners stayed [illegible] for the 14th day.

'T' RATION BOOKS' USE IS RESTRICTED

Washington, Jan. 12.—(AP)—The office of price administration said today that its local offices would issue "T" ration books for commercial motor vehicles after February 1 only if the applicant can show a vehicle [illegible] of war "necessity" from the office of defense transportation.

PELLEY APPEALS

Washington, Jan. 12—(AP)—William Dudley Pelley, former leader of the Silver Shirts of America, asked the Supreme Court today to review his conviction in the federal district court at Indianapolis on a charge of criminal sedition. He was sentenced to 15 years in prison.

Nazi Command Fight Aired

London, Jan. 12.—(AP)—Reliable information from neutral sources from Germany today indicated that a squabble on authority between Field Marshal Erwin Rommel and General Walther Nehring, [illegible] the German forces in Tunisia.

It was said that even intervention by Adolf Hitler had failed to reconcile the two high German officers.

The report had been current for several weeks that Nehring had been replaced by Colonel General von Arnim as commander in chief of the axis forces in Tunisia.

Well informed neutrals said this apparently was true and resulted from Rommel's emphatic refusal to serve under Nehring.

U. S. Planes Bomb Naples In Daylight

Series of Brilliant Russian Strokes Overshadows News of Other Fronts; Hitler Admits Reds on Offensive in Three Sectors

(By The Associated Press)

Soviet dispatches declared today that wavering German troops had retreated another 20 miles on the eastern approaches to Rostov, while on the lower Don front the nazi high command was reported throwing masses of tank-led infantry into a desperate new attempt to halt the Red armies.

Once again, a series of brilliant Russian strokes overshadowed the news from other fronts in the global war.

Four-engined Liberators of the United States Army's ninth air force bombed Naples by daylight yesterday, hitting harbor installations and shipping. Italian headquarters listed nearly 100 killed and wounded in the raid on Naples.

Hitler's high command acknowledged that the Russians were keeping up the offensive in three major sectors, [illegible] said.

"Between the Caucasus and the Don, in the area of Stalingrad and in the Don area, the Russians again attacked in the same focal points as before with strong forces."

Soviet dispatches said the drive which has carried Russia's Caucasus armies 80 miles from recaptured Mozdok in nine days had put Red army forces in a position to sweep back to the headquarters of the Kuban river and threaten recapture of the German-held Kaikop oil fields.

A later bulletin from Moscow said the Red army, led by Cossack [illegible] was sweeping triumphantly back to our homeland, had already driven the Germans back into the Kuban river between the towering Caucasus mountains and the river Don.

Driving down across the middle Don steppes from the north, a Soviet column was reported less than [illegible] miles from Rostov. Another Red army, striking from the east, was

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TIRE INSPECTION DEADLINE DELAYED

Washington, Jan. 12.—(AP)—The office of price administration modified its periodic tire inspection program by postponing the January 31 deadline for the first inspection, and suspending for the present examinations.

To minimize public inconvenience, the action was taken, OPA said, and to insure not overcrowding work peaks for the inspectors.

Until the revised program, all holders of ration coupon "A" coupons will have until the end of March for their first tire inspection and subsequent inspections will be once each six months, instead of the former requirement of once every four months.

Talmadge Vacates Office

Atlanta, Jan. 12.—(AP)—Relinquendered Eugene Talmadge, hery landmark of Georgia politics for nearly a quarter of a century, walked out of the governor's office today to take his place in civilian life—and it was not a happy prospect for the "sage from Sugar Creek."

Pledged to "restore democracy and decency" in Georgia's government, Ellis Gibbs Arnall, 35-year old attorney general, was inaugurated today as the state's 71st chief executive to succeed the veteran Talmadge, who is vacating the political scene after three gubernatorial terms.

It was a disappointed Talmadge who left office. He had strongly hoped for a fourth term and there was a strong hint that same day he might try again, for he said he is "still a young man." Talmadge was 58 last September.