

Huge Cut In Spending Suggested

Senator Russell Says War Expenditure Cut Of \$25 Billions Possible

Washington, Nov. 20—(AP)—The suggestion was heard today that government spending for the war could be cut \$25,000,000,000 this fiscal year—enough to have paid the nation's entire bill in World War I.

The army has disclosed it was requiring more than \$13,000,000,000 it wouldn't need. Representative Taylor (R., N. Y.) asserted last night that the navy was expected to save between \$4,000,000,000 and \$5,000,000,000.

Thereupon Senator Russell (D., Ga.) of the Appropriations Committee came forth with the thought that a careful scrutiny of all war expenditures might yield a reduction as high as \$25,000,000,000.

"The war plants are built and the machine is functioning smoothly," Russell said, "and now we have time that we didn't have before to examine appropriation requests carefully. I am hopeful that we can save \$25,000,000,000 at least."

At the same time the \$71,500,000,000 army bill was passed. Senator Maloney (D., Conn.) told the Senate he was certain it contained "waste and extravagance" by the Appropriations Committee but didn't know where to cut it.

Bowles Says Subsidy Last Bulwark Left

Washington, Nov. 20—(AP)—Chester Bowles, Office of Price Administration director, today put all his anti-inflation eggs in the subsidy basket, declaring that the price agency has no other program to halt inflation if the subsidy plan now before Congress is defeated.

"There is no secondary line of defense," Bowles said, making it clear at a press conference that OPA is not considering any alternative formula to control the cost of living if subsidies are voted down.

Vichy Crisis Confirmation Is Guarded

Bern, Switzerland, Nov. 20—(AP)—The Berlin foreign office spokesman gave guarded confirmation today of reports of a crisis at Vichy where Marshal Petain is said to have offered his resignation as chief of state.

Falling back on an old formula when French collaboration is not going so well, the spokesman was quoted as declaring the political situation at Vichy was an "internal affair," not subject to discussion.

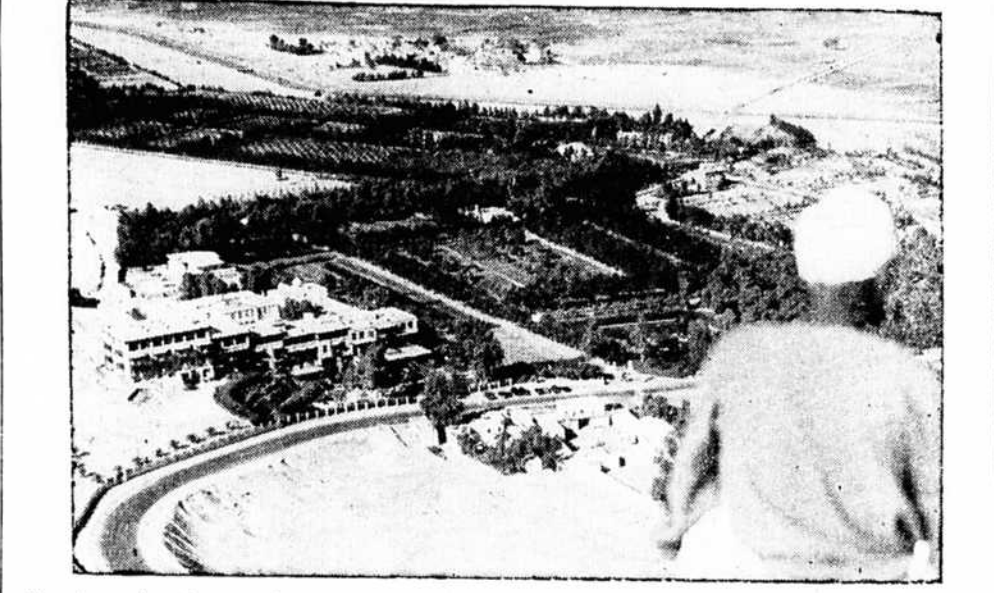
He added that a "new stage of developments had not yet been reached but without question inner political developments are going on." He declared, however, "rumors" that Petain had resigned, "so far as is known in Berlin, are non-existent."

Specific reports from Vichy itself were lacking today, but reliable frontier reports said that a number of Petain's friends had been arrested and that cabinet resignations were impending.

Aussies Near Plateaus; Jap Aerial Opposition

Southwest Pacific Allied Headquarters, Nov. 20.—(AP)—Australians lunged through savagely resisting Japanese in dense, rain-swept jungles to within one mile of commanding plateau positions on the New Guinea flank of New Britain but the Japanese air force has pulled itself together on the Solomons Bank to hit back at American invaders of Bougainville.

WHERE 'BIG THREE' PARLEY MAY BE HELD



Reports continue to come from numerous capitals of the world that a meeting of President Roosevelt, Prime Minister Churchill and Premier Stalin is about to take place. It is said unofficially that the site of the important conference will be Cairo, Egypt. Further supporting this belief is the fact that the Mena House Hotel, wealthy tourist haven outside the city, is being placed in readiness and redecorated for an "important parley." This view of the hotel and its famous gardens was taken from a hill overlooking the site. In the foreground is the road to Cairo, seven miles away. (International)

McNutt May Ask Draft Veto

Manpower Chief Is Hoping to Hold on To Present Powers

Washington, Nov. 20—(AP)—A report spread today that Paul V. McNutt, chairman of the War Manpower Commission, may ask President Roosevelt to veto fathers' draft legislation stripping him of authority over selective service.

Several sources, on Capitol Hill heard this version after the bill, putting pre-war parents at the bottom of the draft pool, passed the House without dissent Thursday. Approval by the Senate, expected Monday, will send it to the White House.

Besides requiring that pre-Pearl Harbor fathers be called only after the nationwide pool of available non-fathers has been exhausted, the bill would:

- 1. Take away McNutt's present administrative authority over selective service by giving the President the choice of administering the act himself or delegating it to the director of selective service, Maj. Gen. Lewis B. Hershey.
2. Nullify a recent WMC order listing certain occupations as non-deferrable regardless of the dependency status of the occupant, by prohibiting the induction for occupational reasons of individuals or groups before they normally would be called. This has been a "work or fight" order.

Nazis Begin Invasion Of Samos Island

London, Nov. 20—(AP)—The Ankara radio said today that the Germans had begun attempts to invade Samos, Greek island north of the Dodecanese and next to the last Aegean stepping stone known to be in Allied hands.

The reported invasion attempt began after the fall of Leros in the Dodecanese this week to the combined attack of German sea and airborne troops.

Castellorosso, easternmost of the Dodecanese, is believed still held by the British, but the Germans yesterday said they had taken three other small islands, including Ikaria, Patmos, and Lipsos, and were holding a fourth island, Furni.

Old Clothes Drive Quota Announced

Charlotte, Nov. 20.—(AP)—A minimum of 3,500,000 worn but serviceable garments was announced today as the North Carolina part of a nationwide effort to obtain supplies of apparel for distribution through international relief agencies to residents of war-ravaged countries occupied by Allies armies.

James B. Vogler of Charlotte, chairman of the War Production Board's North Carolina General Salvage Division, with headquarters in Raleigh, announced this goal today and said the accumulations of clothing will be warehoused at Greensboro and Raleigh.

Other State Surpluses Much Higher Than Ours

North Carolina's Savings Not Enough Even to Pay Debt

Raleigh, Nov. 19—Many North Carolinians, having heard and read so much in recent months about the surplus in the State treasury, may be surprised at some figures presented in the current issue of "We the People," the magazine published by North Carolina Citizens Association, Inc.

The magazine goes somewhat into detail discussion of the finances of all the states, comparing surplus or deficit, bonded debt and net debt. After making due allowance for different methods of bookkeeping, and in full recognition of the special status of highway and agriculture funds in this State, the showing isn't particularly favorable to North Carolina.

Although we have an overall surplus in excess of 73 million dollars, including some book credits of Federal highway funds, the bonded debt of the State is so large this surplus, even if available for the purpose, would not pay two-thirds of it.

Reduced to per capita basis, the state surplus amounts to \$21.20 for each person, the state debt amounts to \$24.54 each, leaving a net debt for each individual citizen of \$3.34.

Eleven states have an actual net credit since the treasury surplus is more than enough to pay off the total state debt. Washington is in the best position of all states, with a per capita surplus of \$35.90 and a per capita debt of \$9.31—which means that the State could pay all it owes and distribute \$26.59 to each person living there out of the surplus. Even Virginia would have 22 cents apiece left after paying off the entire debt of accumulated surplus.

Nine other states would owe less than would North Carolina if the surplus were applied to debt retirement. Louisiana is worst off with a deficit in the treasury and per capita indebtedness of \$7.51. Missouri also reports a deficit, but the debt is not so big, being only \$24.06 for each person.

In any discussion about disposition of the North Carolina surplus it must be kept in mind that the agriculture fund and the highway fund are earmarked for specific purposes. In fact, much of the 33 million dollars miscalled a "surplus" in the highway fund represents accrued federal credits for road construction if and when it is matched with state money. The 39 millions in the general fund debt or for post war re-habilitation or tax reduction. Twenty millions of it has already been set aside as a nest egg. Despite declines in a few tax schedules revenue reports for recent months indicate that the general fund surplus is increasing and may eventually reach the 60 millions predicted by some optimistic members of the last general assembly.

There is growing sentiment to earmark the whole amount for debt retirement, thus contributing to tax reduction by cutting out interest payments and regular installments on bonds, rather than to supply it directly to tax reduction by using it for current purposes in lieu of current tax collections.

Whatever happens, the state surplus may well be one of the controlling issues in the next state campaign and a main topic for discussion by

Rumanian Troops Begin Evacuation Of Crimean Front

Efforts to Evacuate 7 Divisions Fighting With German Army

Bern, Switzerland, Nov. 20—(AP)—The Bucharest correspondent of the Swiss newspaper Gazette de Lausanne reported today that Rumanian divisions attached to the German army in the Crimea had begun evacuation of the peninsula.

It was hoped to remove at least 50 percent of the Rumanian troops, comprising seven divisions, who have been garrisoning that section of the Russian front, the dispatch said.

The correspondent added that one division already had been successfully transported as far as Odessa "despite the watchfulness of the Russian fleet."

The dispatch said the rest of the withdrawing army included one division of cavalry, one armored, one tank, two light and two mixed divisions. To facilitate the expected mass transport, Rumanian authorities have banned heavy shipping of civilian goods to the provinces of Bessarabia, Rutiemia and Bukovina, the correspondent wrote.

Reserves Of Canned Goods To Be Freed

Washington, Nov. 20—(AP)—The War Food Administration announced today it will release soon for civilian use part of the supplies of canned pineapple, asparagus, corn, pumpkin, spinach and figs owned and held by canners but set aside for government purchase.

"Seven quantities of these canned foods that will reach grocery shelves are 540,000 cases of pineapple and 77,000 cases of figs," WFA said.

"It is not possible to estimate at present exact quantities of the various vegetables, but it is thought that they will be substantial."

WFA said the released canned goods will reach retail markets within a few weeks, about the time fresh fruits and vegetables are in lowest supply.

Open Policy Adopted At Relief Meet

Atlantic City, Nov. 20—(AP)—For the first time since its meetings began here two weeks ago, the United Nations Relief and Rehabilitation Conference today started issuing regular written statements, setting forth proposals under consideration.

Before the idea of issuing statements to the public was adopted yesterday, a UNRRA spokesman who asked that his name be withheld stated that Russian Ambassador Andrei Gromyko had been defeated in a move not only to refrain from issuing statements, but also to ban newspapermen from the sessions.

Two hours later, however, a Russian delegate, Eugene Sergeev, told press representatives that Ambassador Gromyko, in Washington, had authorized him to say "he had never made any such suggestion or anything like it."

The UNRRA spokeswoman said Gromyko objected to admittance of the press, on the ground some matter, under discussion were so delicate that publication might cause serious misunderstanding. As an alternative, the spokesman said, Gromyko proposed that a digest of the proceedings be made public at the end of the sessions.

Jap Nemesis



READY to take off in the skies above Munda is Marine flier, Major Gregory Boyington, a former Flying Tiger. He shot down his 19th, 20th, and 21st Japanese plane on Nov. 17, thereby taking his place among the leading aces of the war. Marine photo. (International)

Republicans Demand Cut In Spending

Taxpayers Too Long Have Been Burdened By Spenders, Is Claim

Washington, Nov. 20—(AP)—Republican members of the House Ways and Means Committee demanded deep retrenchment in wartime spending in pledging their support today for a new \$2,110,000,000 revenue measure.

"For too long the overburdened taxpayer has been the forgotten man," the Republican minority said in a supplementary report as the full committee formally reported the next tax bill.

"For too long the unbalanced budget has been spend and spend, tax and tax," the measure, which is a committee to about one-third of what the Federal Treasury had asked, will reach the House floor Tuesday.

The full committee declared in its report that the proposed levies represent all the new taxes the nation can bear "without unduly disturbing our economy."

The administration had asked \$10,000,000 in additional revenue to fight the war and control inflation. But the committee's report said "Stricter economy in government expenditures" is more important than trying to absorb excess purchasing power through higher taxes.

Raid Follows Assault On German Chemical Center

London, Nov. 20—(AP)—Formations of light Allied planes swept out across the Channel today in a swift follow-up to a heavy assault by the RAF last night on the German chemical center of Leverkusen where poison gas components are made. The day light foray was a continuation of the intensive new aerial offensive which has seen six heavy raids from Britain in four days.

Last night's four-engine bomber assault, directed also against other unspecified Rhineland targets, was the second within five hours against Nazi centers of chemical warfare and research. Five bombers failed to return.

Reds Gain As Zhitomir Abandoned

Drive on Cherkasi Newly Threatening Nazi Encirclement

Moscow, Nov. 20—(AP)—Battling stubbornly against heavy German pressure, Red army troops have abandoned the strategic rail city of Zhitomir but have offset that reverse with a surprise drive across the Dniester river to the gate of Cherkasi, and the capture of Ovruch, 25 miles north of Korosten, the Soviet war communique said today.

The retreat from Zhitomir, most serious setback of the 1943 campaign, was ordered by the Russian supreme command apparently when it was found impossible to reinforce troops holding that newly captured junction on the Leningrad-Odessa railway. Red army forces withdrew to positions "more advantageous" for defense, the war bulletin said.

However, the drive against Cherkasi, midway between Kiev and Dnepropetrovsk, staged by airborne troops and guerrillas, gave the Russians additional support for their left flank against reinforced enemy units, and brought new threat of encirclement to German forces in that salient.

Capture of Zhitomir by the Germans failed to reopen rail communication between the German armies in the Ukraine and White Russia, and occupation of Ovruch further widened the gap between the enemy forces. Russian paratroopers, as at Cherkasi, played a key role in the storming of Ovruch, the communique said.

More than 4,600 Germans were left dead on yesterday's battlefields, the Soviet war bulletin reported.

Yugoslavs Falling Back In One Area

London, Nov. 20—(AP)—Yugoslav guerrillas repelled heavy German attacks in various districts in Croatia but were forced to retreat in central Bosnia after a series of fierce battles in which the Nazis suffered 500 casualties, a communique broadcast by the Yugoslav liberation army said today.

German marines have landed on the island of Kerk, the Yugoslavs said, in confirmation of earlier rumors, and heavy fighting is in progress. In the vicinity of Senj, on the coast opposite Kerk, fierce enemy attacks were repulsed by General Josp Broz's (Tito's) partisan columns. Kerk protects the seaward flank of Flume, heavy fighting also was said to be in progress on the island of Crew.

Stocks Again Are Strong

New York, Nov. 20—(AP)—The stock market registered its third successive recovery swing today on relatively broad and active dealings.

On the advancing side most of the time were Bethlehem, Santa Fe, Southern Pacific, Western Union, A. T. International, Telephones, Texas Company, U. S. Rubber, Chrysler, J. I. Case, Caterpillar Tractor, Douglas Aircraft, Sperry, DuPont, American Distilling, Allied Mills, Montgomery Ward and Philip Morris.

Although details were lacking, the force of heavy bombers presumably was smaller than the record fleet of some 1,000 four-engine heavy bombers.

WEATHER FOR NORTH CAROLINA. Fair and continued mild this afternoon, tonight and Sunday.

Cotton Lower Under Selling. Table with columns: Month, Open, Last. Rows: December, March, May, July.