

Army Budget Reduced Six Billions to Increase Sea Warfare

Roosevelt Reports on War Financing

Declares Failure to Hold Line on Prices Will Increase Debt

WASHINGTON, July 31.—A strategy-built \$100,000,000 reduction in Army estimates—most of it to permit greater emphasis on sea warfare—was disclosed tonight by President Roosevelt, although officials earlier insisted the cut will not affect manpower requirements now the over-all pattern for waging global war.

Roosevelt at the same time announced that America's war bill for the fiscal year that started July 1 remains unchanged from January estimates of \$100,000,000. He cautioned, however, that failure to hold the line on prices and wages would send it higher, and he voiced some his demands for a "tough stiff program of additional loans."

President Roosevelt tonight said that the Army's new budget estimates in the light of economic developments and Congressional action since his annual budget was submitted to Congress in January.

BOOST NAVY BUDGET

He made only passing reference to the shift in War Department funds—\$100,000,000 from existing estimates of \$42,000,000,000 to \$43,000,000,000. Four billion dollars of that reduction was shifted directly to the Navy, making a total for that branch of \$25,000,000,000.

Many factors, he said, are being taken into account in the new estimates. He said that the Navy's budget for the fiscal year ending June 30, 1943, was \$25,000,000,000. He said that the Army's budget for the fiscal year ending June 30, 1943, was \$42,000,000,000.

PUBLIC DEBT FIGURE

Actual spending for war purposes, however, has totaled only \$110,000,000,000.

Discussing non-war phases of the fiscal program, Mr. Roosevelt said the largest single item on the public debt, estimated this year at \$2,700,000,000—a \$200,000,000 reduction under January estimates, but \$200,000,000 more than was paid out in the last fiscal year, which closed with the debt standing at \$117,000,000,000.

"We are now financing at an average interest cost on new money issued January 1, 1943, of 3.5 percent."

Will This Be the Next Invasion Target After Sicily?



Similar to Long Island in shape and size, Crete had population of 385,000 at time of Nazi conquest, May, 1941. Legendary home of Icarus, first man to fly. Crete fell to invaders from the sky. Mythology names Mt. Ida as birthplace of Zeus, king of the gods. For centuries a strategic spot in the Mediterranean, Crete guards entrance to the Aegean. Peasants of Greek origin raise lemons, grapes, olives. Candia has fine harbor.

For Faithful Service Greece Given Invasion Role

Watched by All as Bulgarians Pour in

By NAT A. BARROWS
(Overseer by The Detroit News and Herald-Tribune Staff)

LONDON, July 31.—(Special Telegrams)—

By Maj. George Fielding Elliot Significance of Hamburg's Demolition

THE ALLIED high command appears to have taken the decision to destroy the city of Hamburg—or at least to continue major attacks on that city until it is seen what results can be obtained from one

Italy Sets a Pattern for Axis

Fall of Government First Defeat Step

By JAY G. HAYDEN from THE DETROIT NEWS

WASHINGTON, July 31.—The crash of the Fascist regime in Italy this week has set a pattern for the Axis powers.

The move was viewed by members of the American Staff High Command at their headquarters in the Italian development.

First, the collapse did not occur until after the Axis had occupied Italy. Second, it was the military high command, represented by Marshal Pietro Badoglio, which first acted to throw out Benito Mussolini.

Most of the informed observers have been saying that the fall of the Fascist regime was only a tactical maneuver on the part of the army, which would be capable of taking over. Obviously these calculations are applicable even more to Germany than to Italy.

