

Defense Tax Bill Increase Planned By Senate Group

Dr. Townsend Advises Levy On All Wages

Business Deals Also in His Plan; Exemptions on Income Due for Slash

WASHINGTON, Aug. 23.—(AP)—Dr. Francis E. Townsend urged today that a general gross tax of 5 per cent be levied on all wages and business transactions as a means of meeting the huge costs of defense and government.

The veteran advocate of old age pensions told the senate finance committee that this government "faced utter chaos" unless it completely revised what he called its present "hodge-podge tax system."

Townsend was one of the last of more than 150 witnesses who urged the senate committee to make numerous changes in the record-breaking \$3,236,700,000 tax bill approved by the house.

A 5 per cent gross tax on all transactions in the public market, Townsend said, would serve as a substitute for all of the varied taxes now imposed by governments in this country. He said its success had been established in the Territory of Hawaii and state of Indiana.

Branching off into a brief discussion of pensions, the witness said that under such a broad tax system, part of the revenue would be distributed as pensions with a great resulting increase in the total volume of business.

Exemptions Face Slash
In the two weeks of hearings, the committee has heard requests for exemptions or modifications from practically every group affected by the measure. Chairman George (D-Ga.), however, told reporters today there was slight chance that the committee would change the fundamental tax philosophy of the house bill.

There was general agreement that the committee would approve President Roosevelt's and the treasury's recommendation, rejected by the house, that personal income tax exemptions be reduced from \$2,000 to \$1,500 for married persons and from \$800 to \$750 for single individuals.

Such a broadening of the income tax base would bring about 6,000,000 additional persons under the income tax structure.

The finance committee will begin alteration of the house measure in executive sessions starting Monday. George said he expected to bring the bill to the senate floor September 2.

Urges 10 Per Cent Levy
Declaring the time is ripe "to make a bold departure in taxation for defense," Professor Harvey L. Lutz of Princeton university urged the senate finance committee yesterday to approve a 10 per cent withholding tax on individual income.

He said such a levy, with no deductions or exemptions, would produce \$7,000,000,000 annually. Lutz, a professor of public finance, suggested that the withholding tax apply "on all income payments to individuals—wages and salaries, interest and dividends, net rents and royalties and entrepreneurial withdrawals."

Situation on Strike Fronts Not Betterd

(Continued from page 1)

ranging from 55 cents an hour for common labor up to \$3 for the skilled help.

There was no announcement of the settlement terms.

May Avert Bus Strike
A San Francisco report of progress made toward settlement of the dispute between Pacific Greyhound company and its AFL bus drivers in seven western states brightened the prospects today that a Monday midnight strike deadline might be wiped out.

Omar Hoskins, federal conciliator, said some progress resulted from a conference between representatives of the company and of the Amalgamated Association of Street, Electric Railway and Motor Coach Employees of America, with another meeting scheduled for Monday.

French Made Hostages Of Nazis In Revolt Wave

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onstrations and shootings in Paris August 12.

It is estimated here that approximately 150,000 Frenchmen have been arrested in the occupied zone since last May.

Tillamook PUD To Buy Plant Of Mountain States

PORTLAND, Aug. 22.—(AP)—The signing of a preliminary agreement for purchase of the Mountain States Power company's Tillamook county properties by the Tillamook People's Utility district was announced today by Bonneville Administrator Paul J. Raver.

The price was set at \$625,000. Completion of the transfer will make Tillamook the first of Oregon's 10 PUD's to acquire its own system for distribution of Bonneville and Grand Coulee power. The purchase will be financed from the sale of revenue bonds, Raver said.

Properties involved in the deal include a 3,500 kilowatt steam generating plant and 161.5 miles of lines within the Tillamook district and the towns of Wheeler and Nehalem. The district will serve 3,100 residential and farm consumers and 635 commercial and industrial customers.

Raver said a federal transmission line will be constructed into the district, which has signed a 20-year contract for 2,000 kilowatts of prime power at \$17.50 a kilowatt year.

The administrator said that as a result of the purchase, the district would be able to cut rates from 32 per cent for farm and home customers up to 37 per cent for commercial users.

Meanwhile, Interior Minister Pucheu resumed the wholesale removal of mayors and liquidation of township administrations, nine mayors and 31 town councils being fired in the first action.

Three Oregon Convicts Flee, but Two Are Caught

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aid and Lewis Hill, who had been dispatched by radio.

Halley's office said Anderson was received at the prison on April 23, 1941, from Klamath county to serve a 10-year term for manslaughter.

Carmichael has been an inmate of the prison since August 3, 1940, and Hougham since August 18, 1940.

The prison car in which Anderson attempted his getaway was one the deputy warden had driven to the scene of the escape in an attempt to head off the three men. He found the trio but while he was subduing Carmichael, Anderson jumped into Halley's car and drove away.

Halley was described by a prison staff member as "mussed up a little" but unhurt in a scuffle with Carmichael. He called another car and resumed the hunt, after returning Carmichael to the penitentiary.

CARMICHAEL YOUTH SERVES FOR CAR THEFT

Carmichael, who has served one of the three years to which he was sentenced, was convicted here of grand larceny, involving the theft of an automobile. Prior to his arrest he had been engaged in a series of escapades in Oklahoma and California, officers report. He resided for a short time at Camas Valley.

Patrolman Allen Cordon, who was reported to have been involved in an automobile accident during the chase, is a son of Attorney and Mrs. Guy Cordon of Roseburg and was a former deputy sheriff.

Lewiston Juniors Lose Twice; Out of Playoff

MILES CITY, Mont., Aug. 23.—(AP)—Lewiston, Idaho, waltzed into a pair of thrashing machines, sent just one rapid base-runner across the plate and found itself out of the American Legion sectional baseball playoff today.

Youngsters comprising the Murphy-Dids team from Omaha are tied for the tournament lead with San Diego, Calif., at a victory apiece. They clash this afternoon.

Omaha was the first thrasher Lewiston hit yesterday, and the Nebraskaans gave the Idaho Juniors champs their only tally of the meet before winning 7 to 1. Last night Lewiston encountered the Tulsa, Okla., team, defeated Thursday by San Diego, and went out on a 4-0 shutout.

SEATTLE, Aug. 23.—(AP)—Mrs. Clara Dear, Albany, Ore., was injured critically last night when she ran across a street to catch a bus and was hit by the machine.

FUNNY BUSINESS



"Finish one extra print—it's the sergeant's girl!"

Fashion Joins the Vltzkrieg via The First "V for Victory" Dress



Now the first "V For Victory" dress joins up with the wild-fire "V" campaign launched by Prime Minister Churchill. Millions of women all over the unoccupied world will soon be making and wearing this new "V" dress designed by the Simplicity Pattern Company of New York. Patterns for the "V" dress are on their way to 7,500 stores across the United States. More, with sewing instructions in Spanish, are winging their way to

department stores in the 21 Latin American republics. Others are bound for England and Australia. Miss Josephine Johnson, 1940 glamour debutante, chose this version of the "V" dress, made up in light grey wool. It has V-shaped shoulder sections outlined in bold red applique, V-shaped pocket flaps embroidered with the opening notes of Beethoven's Fifth Symphony—three long and one short, the equivalent of the gallant letter "V" in Morse code.

Decisive Smash Faced By City of Leningrad

(Continued from page 1)

some fortified positions, are bringing up reserves but the Russian advance is continuing, these advisers said.

Leningrad was the focal point of the German attack and heavy anti-aircraft fire there was reported beating off repeated thrusts of the German luftwaffe, while the huge city's sprawling industries ground out supplies for the battling soviet forces and citizens built and manned barricades in the streets.

A Russian war bulletin, which acknowledged no withdrawals on any sector of the front, declared in a summary of the first two months of the war that the Germans had lost more than 2,000,000 men in killed, wounded and captured, while red army losses aggregated 700,000.

The soviet summary of the first two months of the war declared that twice already nazi plans had been shattered by the fierce stand of the red army.

By the Associated Press
Reinforced by troops rushed from Leningrad's garrison of 1,000,000 men, red armies defending the old capital of imperial Russia were declared to be holding fast today under violent aerial assault on three sides of the siege-bound city.

A bulletin from the German fuhrer's headquarters gave no details of the 43-day-old struggle, declaring briefly: "Operations on the east front continue according to plan."

In the past, such reticence by the nazi high command has frequently concurred with stiffening resistance.

Peril in Other Sectors
While stepping thin German drives from the south and southwest, the Russians faced a greater immediate danger from nazi-allied Finnish columns striking down the Karelian isthmus from the north.

Canyonville Fair Draws Big Crowd

CANYONVILLE, Aug. 23.—The South Douglas Community fair was held here today with a large attendance. Exhibits were placed in time for judging to begin at 10 a. m., and the fair was to be continued until 5 p. m.

There was some shortage of exhibits in the fruit department, but stock, grain, vegetables, canned goods, handicrafts and sewing exhibits were larger than usual.

A sports program during the afternoon, under the direction of Norman Ashcraft, school superintendent, was a new feature this year and included various types of races and athletic contests and softball games. Refreshment booths were well patronized throughout the early hours of the day.

declared to the whole world that the way to Moscow, Leningrad and Kiev were open. But our troops have blacked this way...

"Its plans have suffered a fiasco, the German command put on another record and began to declare that the aim of the German army is not the seizure of towns but the extermination of manpower and destruction of the

"However, two months of war equipment of the red army, gave evidence that the red army not only is not annihilated but its strength and the power of its resistance is growing with each day."

Escaped Soldier Slain For Refusing to Halt

FORT DIX, N. J., Aug. 23.—(AP)—Pvt. Theodore A. Mazur, 23, of Passaic, N. J., who escaped from the Fort Dix guard house with seven other soldiers, was found shot to death today near the post rifle range.

The fort's public relations office said John McHugh, a Lansdowne, Pa., police officer on vacation near here, approached Mazur and two other escaped privates last night and called on them to stop. When Mazur ran McHugh fired three shots in the air as a warning and then aimed one shot at him, Fort Dix said. The bullet entered Mazur's back. Authorities said Mazur was inducted Sept. 16 with the national guard, and had been serving six months in the guardhouse for a previous break.

Four others of the seven escapees were recaptured by state police.

Callahan District Air Spotters Appointed

Chief observers have been named for each of the four posts of the Callahan district, Mrs. Ralph Cory, aircraft observation post organizer for that district, reported today to Fred Southwick, head of the organization work for Douglas county. Mrs. Cory is the first district organizer to report appointments completed.

The chief observers for the

four posts, she reports, are Dexter Baughman, Clifford Woods, Charles Doerner and Charles Germond. Each of the chief observers will, in turn, select a crew of assistants.

Missioners Abandon Trip Because Children Barred

Friends of Rev. and Mrs. Luther Adams have received word that Mr. and Mrs. Adams who left here recently, following a series of special revival meetings, with the purpose of going to India, have been unable to secure permission to enter the field and are to take pastorate work. They were unable to secure permission to take their children and so have elected to remain in the United States. They are associated with the Bible Standard conference.

John H. Morrison of Myrtle Creek Passes

John H. Morrison, 83, resident of Myrtle Creek for many years, died suddenly at his home Friday. He was born in Illinois, April 2, 1858, but had spent the greater part of his life in Oregon.

Surviving are his wife and two daughters, Maude Lileance, Seattle, and Frances Frohlich, Myrtle Creek.

Graveside services will be held at the I. O. O. F. cemetery in Myrtle Creek at 3 p. m. Sunday, Rev. Mr. Wilkins officiating. Arrangements are in charge of the Roseburg Undertaking company.

Stock and Bond Averages

BONDS				
Compiled by Associated Press				
August 23:				
	20	10	10	10
RR's Ind's U's Fgn.	104.9	102.1	102.1	45.4
Prev. day	104.8	102.1	102.1	45.4
Month ago	105.0	102.0	102.0	44.7
Year ago	103.4	96.8	96.8	41.9
1941 high	105.3	102.1	102.1	48.2
1941 low	104.2	99.0	99.0	38.0

STOCKS				
	30	15	15	60
Ind's RR's U's S'tks	18.1	32.2	43.2	43.2
Prev. day	18.0	31.9	43.1	43.1
Month ago	18.1	32.4	43.9	43.9
Year ago	15.5	35.4	42.3	42.3
1941 high	19.0	35.5	45.0	45.0
1941 low	15.4	30.3	39.1	39.1

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Dear Repast

RHINELANDER, Wis.—Lumberjacks smacked their lips as they sat down to a venison supper supplied by their boss, Charles Pauquette. Attempting to offset the high price of beef, Pauquette substituted venison. A game warden visited camp unannounced. The crew went back to eating beef when Pauquette was fined \$50 for possession of venison out of season.

Spare the Woodman

OAKLAND, Calif.—Nelson Adam, 14, fell 35 feet out of a tree and wasn't hurt a bit. But when he started to walk away, a limb fell out of the same tree. It broke his leg.

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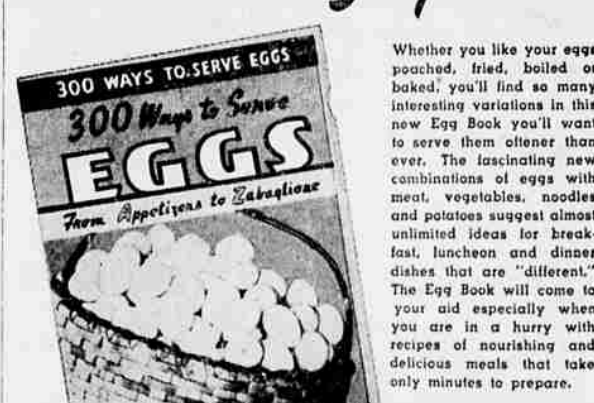
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