

Roosevelt Vetoes New Officer Bill

WASHINGTON, Aug. 13—(AP)—President Roosevelt vetoed a bill today to authorize temporary appointment or advancement of commissioned officers of the Coast Guard and Geodetic Survey in time of war or national emergency.

Mr. Roosevelt noted, in a message to the house, that the measure provided that commissioned officers on the Survey's active list "shall be deemed to be in active military service." He said he was informed that under this provision, all active commissioned service men in the Survey, whether in time of war or peace, would be eligible for benefits to which military personnel and dependents are entitled.

It would be different, the president said, if a majority of the Survey's functions were clearly military or naval.

"On the contrary, in time of peace," he said, "its duties and functions are normally civilian; and in time of war, most of them continue to be civilian."

The president added that under existing law, Survey officers under military or naval command are entitled to benefits applying to the armed forces. The Survey's main function is to map the coast lines of the United States and possessions.

Sales Levy Urged as Phase of New Tax Bill

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treasury and survive." For the reason he said his organization favored a retail sales tax. He asked also for technical changes in the methods of determining excess profits, for repeal of the capital stock tax and for a 20 percent tax allowance for individuals and corporations for the purchase of non-interest bearing government bonds.

While urging a sales tax, as had the U. S. chamber of commerce, the NAM said a 5 per cent withholding tax on individual earnings, such as the chamber



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also proposed, was "impractical and indefensible."

Cowdin, in recommendations prepared for the senate committee, called the revenue bill pending before it "one of the most important single measures ever to come before congress" and added:

"A bad tax bill can lose the war."

Alternate Plan Offered
Through Cowdin, the NAM surveyed 3,000 businesses and industrial units and estimated corporations would net about \$18,000,000 this year.

It proposed the treasury take \$11,500,000,000 in taxes and leave approximately \$6,000,000,000—or 2.7 per cent of estimated gross receipts—for dividends, reserves and additional working capital.

He estimated that on the same basis corporations would pay \$13,500,000,000 in 1943.

Such a total, he asserted, was "far beyond the corporate payments anyone in government has so far estimated or asked for."

To make up the \$37,000,000,000 total in 1943, the NAM would slash \$2,000,000,000 from non-war expenditures, collect \$5,200,000,000 by the sales levy, \$9,000,000,000 in individual income taxes at rates lower than those now pending, and obtain \$7,500,000,000 from excise, employment, customs and miscellaneous taxes not covered in its recommendation.

If the NAM program were enacted, it would double the \$17,000,000,000 in revenues existing laws were expected to produce in the current fiscal year, beginning last July 1.

The house bill now pending before the senate finance committee would add \$6,271,000,000, its enactment boosting estimated revenues to \$23,271,000,000 in the first full year of operation. This compared with an NAM suggestion that \$35,200,000,000 be raised in 1943, combined with a \$2,000,000,000 cut in non-war expenditures.

Boeing "Pleads for Life"

H. E. Bowman, of Seattle, told the senate finance committee today in a faltering voice that the pending revenue bill "probably would end the existence" of the Boeing Aircraft Corp., which manufactures "flying fortresses" and other military aircraft.

Asserting that the Boeing company, of which he is treasurer, would have to turn over 88.75 per cent of its net profits in taxes if the bill becomes law, Bowman said:

"I am here to plead with you for the life of this company because in our opinion this tax bill, if passed in its present form, will probably end its existence. I say this with all seriousness."

Bowman testified he had been urged by members of the senate defense investigating committee to protest against provisions of the revenue measure. He said that because Boeing had suffered heavy losses during the base period of 1936-39 while it was developing the flying fortress and other craft, and because it could claim only a low invested capital credit 96.6 per cent of its net income would be subjected to the proposed 90 per cent excess profits tax.

"It is curious that I should be here to plead for the life of this company at a time when in Seattle the company and its employees are being given the army-navy production efficiency award," Bowman said.

Marines Break Jap Grip On Island of Tulagi

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dium bombs on the enemy during 60-degree angle dives and then returned to strafe them in effectively supporting allied ground operations, it was reported.

The bombing and strafing silenced machinegun nests and destroyed a house, while Australian mountain forces under the direction of a local commander, were cleverly out-manoeuvring the Japanese on the ground.

Operations against the Japanese in the Kokoda area began Friday, the same day that American forces challenged the invaders in the Solomons.

Other far Pacific developments: India—Renewed rioting and clashes with police flared in Mohandas K. Gandhi's six-day-old campaign against British rule in India today, but there were indications that the mass civil disobedience movement was slowly fizzling out.

Dispatches from Bombay, the center of disorder, said the outbreaks there were fewer and smaller.

Reinforced police and troops stood guard in many cities, curfew restrictions were clamped down, and processions and meetings were forbidden.

While India smoldered, a Chinese army spokesman reported that Japanese transports carrying more than 20,000 troops were sighted in the gulf of Tonkin, possibly bound for new offensives in southern Asia—perhaps toward Burma and the Indian frontier.

China war front—U. S. army bombers attacked the Japanese-held town of Yoyang (Yochow) in northeast Hunan province, American headquarters announced, carrying out a "highly successful" raid without loss to themselves.

Albacore Tuna Placed Under Price Ceiling

ASTORIA, Ore., Aug. 13—(AP)—The skyrocketing price of Albacore tuna flattened out against a price ceiling today.

The office of price administration brought the price to, fishermen down from the all-time local high of \$415 a ton to \$398 and a maximum selling price of canned tuna was fixed at \$16 a case.

Edmund Maher, regional price director of the OPA's food section, said the \$398 a ton price is excessive "but it represents the best figure applicable to the situation that has developed in whole-sale bidding for the product." The average price last year was \$285.

Maher said the price later might be revised downward.

Stalingrad Awaits Assault From Nazis

(Continued from page 1.)

of the war was developing. The Russians frankly conceded that the situation in the Caucasus, where Hitler's motorized infantry was rapidly overrunning the whole northern Caucasus, was acute.

Waves of 40 to 60 Nazi dive-bombers were reported raining tons of high-explosives on towns and villages, leaving the once pastoral Caucasus in flames.

"German and allied troops, despite stubborn enemy resistance, drove the enemy further back in the Caucasus region. One Russian group was cut off and destroyed," Nazi field headquarters said.

"Between the Volga and the Don, the attack of German and Rumanian troops against stubbornly defended positions gained additional ground in fierce fighting."

This apparently referred to the Kotelnikovski sector, 95 miles southwest of Stalingrad, where the Russians reported a sudden intensification of the fighting as the German sought to tighten the southern claw of a pincers drive against Stalingrad.

Far to the north, the Germans admitted that Marshal Timoshenko's armies were battering heavily at Nazi defense works in the Voronezh and Rzhev sector, southeast and northeast of Moscow, with the Russians taking the initiative at both points.

War in Mediterranean. Italian headquarters reported that axis planes and submarines still attacking a powerful British convoy in a three-day-old battle in the western Mediterranean had inflicted "heavy losses" above all to aircraft carriers.

The Italian command said the convoy was escorted by "an imposing number of warships, among which were numerous aircraft carriers."

A British admiralty announcement yesterday conceded the loss of the aircraft carrier Eagle.

The convoy might be transporting allied troops or supplies either to reinforce Britain's imperial armies in Egypt, now stalemated 80 miles west of Alexandria, or via the middle east to Russia.

"The action, still in progress, has shown results favorable to us," an Italian communique said. "Exact damage will be announced later."

U. S. army heavy bombers struck back with a destructive

Fire Destroys Puget Sound Navy Dormitories

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paper basket had been ignited and paper towels in a holder on the wall had also been set afire.

Marcken's investigation developed that an earlier attempt had been made to start a blaze in this unit.

Four of the destroyed units were under construction. The dormitories, located on part of the navy yard reservation, were operated by the farm security administration, and were known as "duration dormitories," being lightly constructed with the thought they would be razed after the war.

Ninety trailer tires, many of them nearly new, were destroyed. They were stored in the basement of the James Boe home, the res-

Big Generators Slated For Shasta, Keswick Dams

(Continued from page 1.)

San Francisco, Aug. 13—(AP)—Five hydroelectric generators with a combined power potential of 275,000 kilowatts are scheduled for installation within the next two years at Shasta and Keswick dams on the Sacramento river, the office of war information said today.

Higher priority ratings have been obtained by the bureau of reclamation for the Shasta project, OWI announced, so that its great power development may be brought more quickly into war production.

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Lettuce Large Solid Heads 2 for 23c
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SUNKIST LEMONS Large size, Dozen . . . 29c
LOCAL TOMATOES 2 lbs. . . 15c
GREEN ONIONS Locals, 3 bunches . . . 10c
SUMMER SQUASH 2 lbs. . . 15c
AVACODOS Large size, 2 for . . . 23c
BERMUDA ONIONS 2 lbs. . . 15c
POTATOES 50-lb. sack . . . \$1.39

SNOWFLAKE Crackers 2-lb. box 31c
15c PKG. Potato Chips 2 pkgs. 25c
Jello 6 Delicious Flavors 4 pkgs. 25c

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