

Record Taxes Estimated by Budget Chief

(By the Associated Press)
At-a-glance summary of revised government budget estimates for the fiscal year July 1, 1944-June 30, 1945:

Expenditures — \$98,404,000,000.
(Not including a \$625,000,000 expenditure-less-receipts figure for government corporations which would make the overall total \$99,029,000,000.)

Not receipts — \$45,663,000,000.
War spending — \$88,900,000,000.

Excess of expenditures over receipts — \$52,741,000,000.

National debt at end of fiscal year — \$251,286,000,000.

Net increase in public debt — \$50,283,000,000.

BY KARL R. BAUMAN

WASHINGTON, Aug. 2 (AP)—Budget Director Harold D. Smith, assuming that the fighting in Europe will be over by next summer, estimated today that the United States will spend \$88,900,000,000 for war in the fiscal year begun on July 1.

Also, he said in presenting revised estimates of federal finances for the year, American taxpayers will contribute toward that sum the largest government "take" of record.

Smith revised upward by nearly \$5,000,000,000 his January estimate of net receipts—from \$40,769,000,000 to \$45,663,000,000. Net receipts in the fiscal year ended June 30 totaled \$44,149,000,000, double the preceding year.

Tax Estimate Upped
Except for employment taxes, which congress failed to increase, and customs, Smith revised upward all his tax estimates.

Direct taxes on individuals he estimated at \$18,935,000,000, instead of \$18,113,000,000, but still below the \$20,290,000,000 actually collected in the last fiscal year when adoption of the pay-as-you-go plan caused unusual collections.

Total expenditures during the year were estimated at \$98,404,000,000, compared with the previous estimate of \$97,954,000,000 and \$93,743,000,000 actually spent in the last year.

With net receipts of \$45,663,000,000, this means a deficit of \$52,741,000,000.

The national debt, however, would increase only \$50,283,000,000 to a total of \$251,286,000,000, Smith figured. The debt increase would be smaller than the difference between receipts and expenditures since the treasury entered the fiscal year with a record high working balance, and Smith said some of this could be used to avoid borrowing.

Milk Inspector Assault Costs \$75

SEQUIM, Wash., Aug. 2 (AP)—On charges filed by Seattle officials and State Dairy Inspector Wilfred B. Cooper, a jury found John Lotzgesell, Sequim dairy farmer, guilty of third degree assault and innocent of obstructing an officer after a trial in Sequim justice court Tuesday. The jury assessed a \$75 fine.

Cooper testified that on June 26 the dairyman knocked him down, cutting his nose, breaking his glasses and two ribs, when he found the barn improvements still insufficient to qualify for return to the Seattle fresh milk market. He said Lotzgesell was cut off June 2 for failure to start sanitary improvements promised last December to comply with the Seattle milk ordinance.

Lotzgesell denied knocking Cooper down and claimed the inspector precipitated the scuffle by arbitrary refusal to approve his barn after he had spent \$1100 on improvements, thus causing him a continued loss of \$5.50 per day in the price of his product.

Azalea

AZALEA — Cpl. Paul Newman returned to Florida Friday after spending about two weeks here with his parents, Mr. and Mrs. Paul Newman, and his grandparents, Mr. and Mrs. Martin Newman.

Mr. and Mrs. Noah Anderson attended to business in Grants Pass Monday.

Mr. and Mrs. D. H. Clare made a business trip to Roseburg Monday.

Mr. and Mrs. Walter Kemp were in Myrtle Creek on business Monday.

Mr. and Mrs. Neil Tripp from Medford visited here Sunday with his parents, Mr. and Mrs. Frank Tripp. They were accompanied home by their two daughters, Lynn and Sally, who have been here visiting.

Mrs. Allie Garrison and Jim

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Roseburg School Band on Program Of New Teacher



The importance of music in the schools was stressed before the Roseburg Kiwanis club Tuesday by Leslie S. Irvin, above, who has been employed as music supervisor in the Roseburg high schools, at the club's regular weekly luncheon meeting. Mr. Irvin reported that he is planning development of a large school band, and hopes to interest a large number of students. He also entertained with a cornet solo.

Mr. Irvin became interested in conducting music while a student at Roosevelt high school in Portland, when the director, Leon Handzlik, made him a student leader.

While attending University of Oregon, where he was graduated in 1941, he composed the song "Fight on for Oregon," a companion to the traditional "Mighty Oregon," his selection being heard at nearly all school athletic contests.

Band Wins Top Rating
Mr. Irvin organized a 40-piece McKenzie band which was given top rating in the school band contest at McMinnville. During the 1942-43 school year at Clatskanie, his 50-piece band was presented in several public concerts.

He is directing band work for both experienced players and beginners as a part of the summer recreation program, and is planning on an extensive band and chorus program during the coming school year, he informed the Kiwanians.

Club members also heard a brief talk by Congressman Harris Ellsworth, who explained the plan for the congressional summer recess.

White attended to business here Monday and Tuesday. They recently sold their place and moved to Coquille to make their home.

Mrs. Paul Newman, Mrs. Alex Gibson, who is visiting here from San Gabriel, Calif., and Mrs. Martin Newman made a trip to Grants Pass Monday.

Mrs. Stanley Jantzer and son, Johnny and Glen, left Monday for Texas where they will join her husband, Pvt. Stanley Jantzer, who is stationed at Camp Walters. She was accompanied by her uncle, Ben Green, from Prosser.

Critic of Roosevelt's Sons Loses at Primary

TOPEKA, Kans., Aug. 2 (AP)—Rep. W. P. Lambertson who created a stir by criticizing the war records of President Roosevelt's sons, today conceded his defeat for renomination in the primary yesterday in which the state's only other two republican congressmen facing contests were victorious.

Lambertson, seeking his ninth term, several times had sharply criticized the war record of President Roosevelt's sons. Charging they had been coddled and that he had been told one of them had been "jerked" out of the danger zone of Guadalcanal.

ODDITIES

MARBLES

KANSAS CITY — Just like the old machine days, thought policemen when a shout came from near a polling place, "catch that car!"

The car escaped, and police found three small holes in a window in the polling place. They soon discovered all gamblers there, and ruled that the culprits were neighborhood kids with slingshots. Instead of spent bullets, they found three small marbles.

RECONCILIATION

LOS ANGELES — This time, says Mrs. Eudene Hughes, she's going through with her divorce action. She has started suit seven times previously against Aloysius P. Hughes, the first time in 1931. All seven times they were reconciled.

Dewey Lauded at Conference Of G. O. P. Governors

ST. LOUIS, Aug. 2 (AP)—The nation's 26 republican governors, headed by Presidential Nominee Thomas E. Dewey, began conferences here today in what Gov. William H. Wills of Vermont described as an effort "toward bringing government back to the village pump."

Called together by Dewey to seek solutions to the areas of "friction" between local and federal governments, the New York governor has charged the new deal with fostering the state executives began a schedule of meetings shortly after the arrival of the party's standard bearer.

As the conferences opened, Governor Wills handed reporters a statement declaring that he believed, "the cause of liberal government can be furthered by the election of Dewey and Bricker." Wills in the past has been strong supporter of Wendell L. Willkie, the 1940 republican presidential candidate who congratulated Dewey on his nomination but has remained silent in the campaign since then.

Applauding the accomplishments of the republican governors, Wills said that "the president is no longer a one-man job and Dewey knows it."

"The task of reconversion ahead of us needs the best brains obtainable and I know that Dewey will surround himself with men of vision, common sense, proven ability and constructive ideas men who throughout the country, by their cooperation in the war effort, have gained this experience," Wills stated.

"Certainly the governors here today representing 26 states and over 50 per cent of the nation's voters know that their people are thinking and this is a good start toward bringing government back to the village pump."

New Draft Order Only Follows Oregon Policy

SALEM, Ore., Aug. 2 (AP)—The order from national selective headquarters to draft men over 26 years old who are not in essential occupations will have no effect on Oregon, because that has been the policy in this state, Col. Elmer V. Mooton, state selective service director, said today.

He said that 80 per cent of Oregon draftees now are under 26, 13 per cent between 26 and 29, and 7 per cent are 30 or over.

Expansion of Shriners Hospital Is Started

PORTLAND, Aug. 2 (AP)—A \$50,000 expansion and modernization program at the Shriners hospital for crippled children started here today. The work is the first of three projects which will cost a total of \$150,000.

Expansion of classrooms, a new surgery and entire overhauling of the main structure are planned.

Allies Smash Through Germans in Brittany

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as big as the Cherbourg peninsula, its reduction was proceeding at a faster clip.

The break in the center of the German line by the British threatened to engulf the remainder of enemy defenses which had suffered the loss of 20,000 prisoners in a week and the destruction or near destruction of a dozen divisions.

Rommel Hurt, But Life Not Endangered, Nazis Report

LONDON, Aug. 2 (AP)—A DNR dispatch broadcast from Berlin today confirmed that Marshal Erwin Rommel was injured in an allied air attack in France July 17, but said he escaped with a brain concussion and his condition was satisfactory.

"His life is not endangered," the German broadcast declared.

Glendale

GLENDALF — Harold Jones is employed at the California Oregon Power company office during the absence of William Dabryns, who is on a two weeks' vacation.

August Garferez, serving in the army, has arrived at his home in Glendale to spend a brief furlough with his parents.

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Axis Armies Recoiling On All Battle Fronts, Churchill Announces

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hands by our fighting men will be appreciably increased."

6. He confirmed Turkish severance of diplomatic and economic ties with Germany and said that if the Axis struck at Turkey, "we shall make common cause with her and take the German menace as well as we can in our stride."

7. With negotiators of the Polish government in exile in Moscow, he said it would be a marvelous thing if a fusion of rival Polish forces could be proclaimed "when Warsaw is being liberated by the bravery of the Russian armies."

8. "The whole of Europe is sliding irresistibly into new and secure foundations." The prime minister touched lightly upon internal difficulties of Germany, but said these "must shock to the foundations the confidence of the people and the loyalty of the armies."

He said that Ambassador Franz von Papen, who failed in the assignment to keep Turkey neutral, might now be returned to Berlin "to take part in the blood bath that he so narrowly escaped at Hitler's hands in an earlier period."

Soviet Press Assaults In Baltic, Warsaw Areas

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states to East Prussia. Warsaw Defense Stubborn

Thousands of Germans were concentrated in a narrow sector on the east side of the Vistula river and offered violent resistance to hold back Marshal Rokossovsky's army group from the broad, swift river. They were fighting not only for Warsaw, but in the defense of Berlin it

self, 322 miles from the nearest red army troops.

A great slugging battle for possession of a strip five to eight miles wide along 20 miles of the Vistula in the Warsaw area continued.

Rokossovsky, son of a Warsaw cobbler, resorted to artillery, tanks and planes though there was no indication that the Russians were shelling the city. German demolitions were reported inside Warsaw yesterday by red pilots.

East Prussia Neared
Cherniakhovsky's plunge toward East Prussia already was seven miles within the Suwalki triangle (which East Prussia annexed from Poland in 1939) and extended on a curving front from 18 miles northwest of captured Kaunas to Brogichin on the western Bug river.

Kaunas, former Lithuanian capital and second largest city of that soviet republic, generally was not much damaged, Lzvestia said. Some houses were burned and 30,000 Jews were reported slaughtered during the German occupation.

The drive on East Prussia was reported within 50 miles of the rail center of Insterburg, 105 miles from the capital, Königsberg.

Tinian Island Taken; Secret Weapon Factor

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elkop peninsula, Dutch New Guinea, and attacked 45,000 by-passed Japanese 700 miles to the east, headquarters announced today.

East of Aitape, in British New Guinea, several American battalions crossed the Drinimur river to attack Japanese army units trapped in the 130-mile-long Wewak sector since last April. They counted 409 additional enemy dead.

Allied bombers sank a 5,000-ton Japanese freighter off Ambonia Monday, and a 1,000-ton freighter and two coastal vessels off Halmahera Saturday.

Rep. Ham Fish Wins Out; Senator Clark Defeated

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nomination for senator from Missouri.

Other Results Listed

In the day's other primaries: Four of Kansas' six incumbent representatives were unopposed for republican renomination. Of the other two, Rep. T. D. Winter of the third district was leading his race, while Rep. W. P. Lambertson of the first was in a ding-dong battle with State Senator Albert Cole.

Virginia democrats renominated seven of their nine house members without opposition. Rep. Patrick H. Drewry won over L. L. Bean of South Hill in the fourth district, while in the second district State Senator Ralph H. Daughton was nominated for the post held by retiring Rep. Winder R. Harris.

Turkey Severs Relations With Nazis; No War Entry

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ing to leave the company of Germany and move closer to soviet Russia.

Turkish trade with Germany is already drastically reduced. It cut off shipments of chrome several months ago. Such strategic materials as cotton, copper, fish, oil-seeds and mohair now will be barred.

Japs May Break Tie

The axis had wind of the trend before the action was taken. Berlin broadcasters had warned the Turks that a break in diplomatic and economic relations would mean war. Rumors circulated in Ankara that the Japanese were about to break off diplomatic relations with Turkey.

Advices from Turkey made no

mention of granting air or sea bases to the allies.

The most immediate and direct effect of the break, aside from the cutting off of German supply lines from Turkey, apparently will be the closing of the German embassy and consulates which have given the nazis valuable observation posts in the middle East.

Presumably hundreds of agents and private German nationals also will be expelled or placed under close watch, crippling Berlin's espionage still further.

Finn Peace Questioned
The leadership of war-weary Finland changed overnight. The assumption of the presidency by Mannerheim, Finnish commander in chief, was regarded as the first step toward the formation of a peace government.

However, German propagandists professed to welcome the appointment of the old soldier to succeed Rytli.

"The brotherhood in arms will be still closer in the future," one nazi radio commentator declared.

An informed source in Berlin was quoted by the German-controlled Scandinavian telegraph bureau as saying that Germany expected "no change in general military developments" on the Finnish front.

Advices from Stockholm, Sweden, said, however, it was believed there that Mannerheim has received Russian assurances that Moscow is prepared to consider a new Finnish application for armistice which would guarantee Finland's independence.

Some German troops were reported leaving Finland, and a usually reliable Stockholm informant commented that this development was "not unlikely."

The naming of Mannerheim to the presidency was believed to have been war-weary Finland's first step toward the formation of a "peace government."

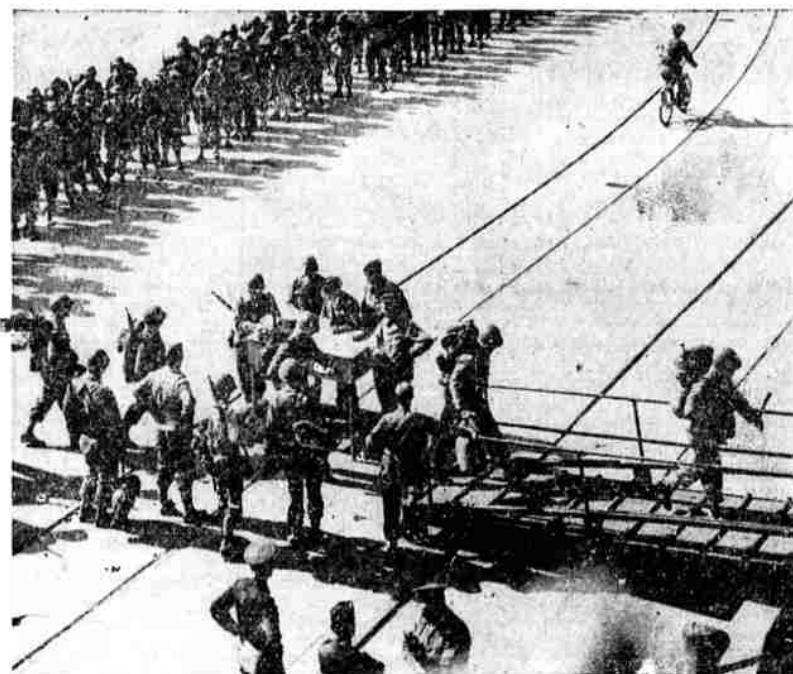
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