

Senate Expected To Pass Huge Tax Bill Today; House Ok

Millions of Citizens to Impact of New Levies; Large Additional Clerk Force Seen

WASHINGTON, Sept. 16—(AP)—The house approved a \$3,553,400,000 compromise version of the new, record-breaking defense tax bill Tuesday and sent it to the senate where final passage Wednesday appeared certain.

By approving without a roll-call vote the recommendations of a joint senate-house conference committee which worked out an agreement on changes made by the senate, the house members avoided going on record regarding the senate's action in lowering personal income tax exemptions from \$2,000 to \$1,500 for married persons and from \$800 to \$750 for single persons.

The reductions will require 4,930,000 additional persons to file income tax returns but only about 2,275,000 will be taxable. They will contribute about \$47,000,000, the treasury estimated, but the lowering of the exemptions will boost the bills of present taxpayers by about \$256,000,000.

Sharp criticism of this and other senate changes developed in the house but no effort was made to block final approval of the bill.

When members protested the lowered exemptions, Chairman Doughton (D-NC) of the ways and means committee said that while he did not like to say "I told you so," he had warned the house that when it refused to require all married persons to file joint income tax returns, approximately \$330,000,000 was lost thereby and would have to be made up from other sources.

"That's exactly what happened," put in Rep. Knutson, (R-Minn.). During discussion of the new returns which would be filed as a result of the lowered exemptions, Doughton disclosed that (Turn to Page 2, Col. 7)

Traffic Toll In Five Days Totals Five

Traffic total of fatalities in the Salem area within five days mounted to five Tuesday night when Roy Lee Pratt, 43, Hubbard, died at a Salem hospital.

Internal injuries and brain concussion sustained when he crashed his light pickup into the rear of a lumber truck which was slowing to a halt on the Dallas highway six miles west of Salem had sent Pratt to the hospital Monday night.

The truck was driven by Donald Benjamin Hill of Taft, who told investigating officers he had been having trouble with his lights and was drawing to the edge of the road to try to better manipulate them before traveling on.

Still unidentified save as that of a man known as "Tex" who had worked recently at the Cooper hogyard, the body of a middle-aged transient lay in a Salem mortuary Tuesday night, fourth victim of highway accidents in the week's calendar.

Pratt is survived by his widow, Edith Louise Pratt of Hubbard; daughters, Mrs. John Mitch of Portland and Connie Pratt of Hubbard; sons, Hurley, Leroy, Carl and Keith Pratt, all of Hubbard, and one sister, Connie M. Bogle of Woodward, Okla. Funeral services are to be held at 1:30 Thursday from the Rigdon chapel.

Russo-Bulgar Tension High

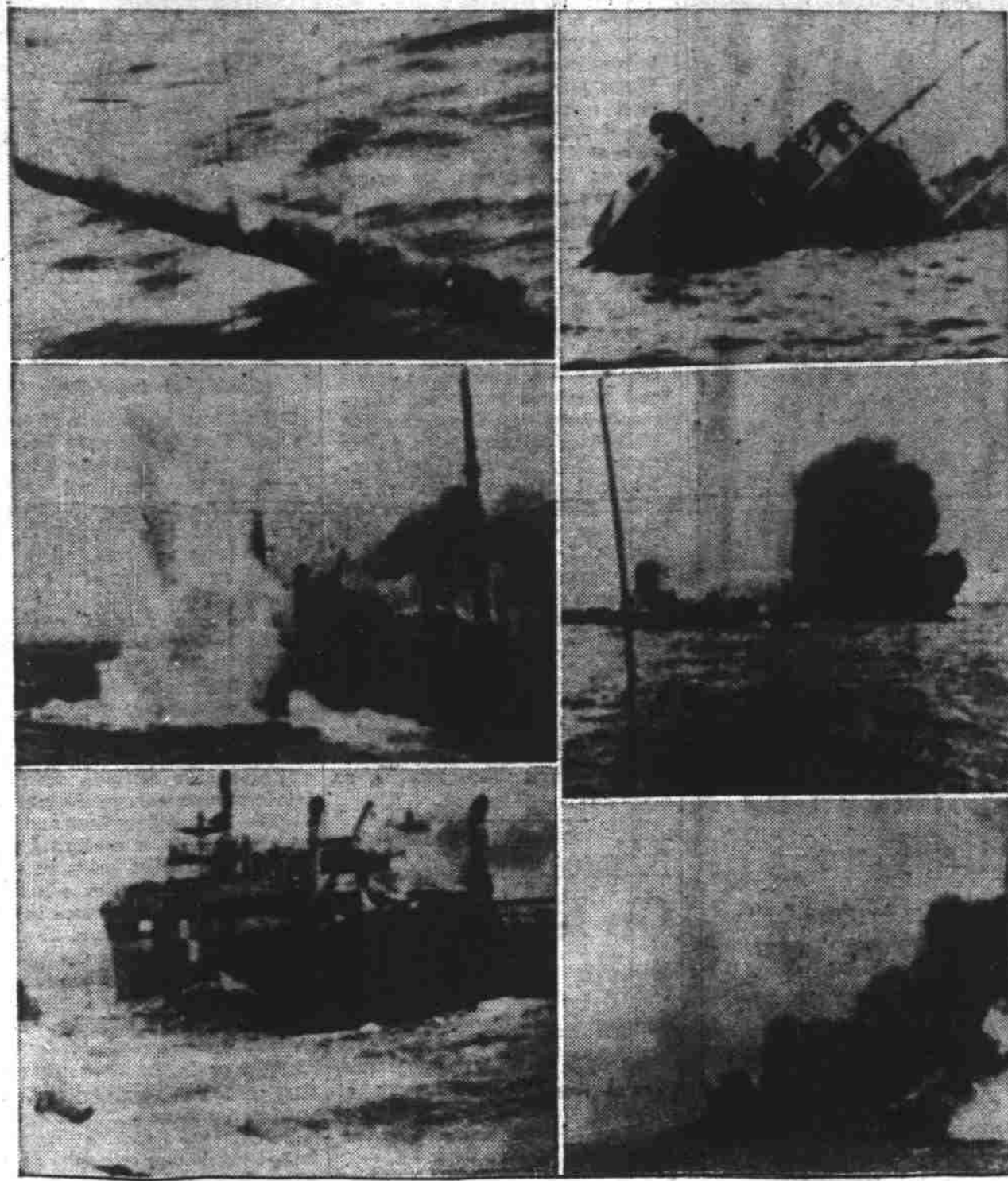
ISTANBUL, Turkey, Sept. 16—(AP)—Russian sources Tuesday declined comment on predictions of an imminent soviet declaration of war against Bulgaria, but said that all women and children of the families of soviet staff members at Sofia had left Bulgaria.

SOFIA, Bulgaria, Sept. 16—(AP)—The Bulgarian government Tuesday rejected Russian accusations that Bulgaria was offering increasing military cooperation to Germany and thus endangering relations with Moscow.

The Bulgarian note denied that Bulgaria had acted in any way contrary to Russian-Bulgarian friendship.

On the Air For Defense In keeping with Constitution Day, an address by Raymond P. Hoar, originally given in Independence Hall, Philadelphia, will be a feature of the civil defense program to be broadcast over KSLM tonight at 9:15 o'clock.

When Reds Sank Nazi Transport in Baltic



Above Radio-Soundphoto from Moscow and New York gives a graphic picture of the destruction by Russian naval units of a German supply transport in Baltic seas. This series of photos, taken by News of the Day Newsreel, requires almost no explanatory caption because it tells its own story from the firing of the torpedo to the sinking of the ship.

FDR Evades Convoy Questions Sea 'Lane of Steel' Is Hinted

WASHINGTON, Sept. 16—(AP)—Possibility that a corridor of steel—ships, planes and navy guns—has been laid out in the north Atlantic to protect lend-lease deliveries to Great Britain was considered in the capital Tuesday night.

The speculation was raised by President Roosevelt's warning, at his press conference, that amateur strategists should not think that naval convoys were the only means of guaranteeing deliveries of cargoes to friendly powers.

Under Secretary Knox's declaration Monday that, beginning today, naval vessels would give every protection within their power and would "capture or destroy" raiders encountered between North America and Iceland, the view had been accepted widely here that the navy had undertaken actual convoy duty.

While the president did not make specific denial of such a long-expected development, it was considered possible that his deprecatory comment might mean, instead, the establishment of a "safety lane" to Iceland. The royal navy, in such a case, could take over guardianship of the cargoes from Iceland on to the British Isles.

Under such an arrangement, cruisers, destroyers, submarine (Turn to Page 2, Col. 5)

Farm Camp Set For New Site

WEST STAYTON—Government officials here said Tuesday that the migratory workers camp stationed in this area for the bean harvest will be moved to Klamath Falls for the potato harvest.

Dismantling work, begun Monday, is expected to take ten days.

Salem Area Milk Producers Seek New Price Hearing

Disappointed that the recent decision of the milk control board raised butterfat prices only to 67 cents instead of 80 cents, independent producers and members of the Dairy Cooperative association are circulating a statement asking that the board grant another hearing.

The petition, being signed by Polk and Marion county producers serving the Salem market, asks a chance to present facts showing that the present price is not adequate considering the increased labor and feed costs and the strictness of the Salem milk ordinance.

Solon Cracks Public Won't Need Razors

WASHINGTON, Sept. 16—(AP)—As the house considered the tax bill Tuesday, Rep. Duncan (D-Mo.) inquired whether the ten per cent retail sales tax on jewelry would apply to safety razors which have "two cents worth of gold plating on them to keep them from rusting."

"As a result of this and previous tax bills," said Chairman Doughton (D-NC) of the ways and means committee, "the taxpayers will be shaved so cleanly, they won't need safety razors."

Miners Balk On Return to Jobs Request

By The Associated Press The CIO United Mine Workers union Tuesday turned down a request of the defense mediation board that workers in more than 30 closed captive mines return to their jobs immediately, the union saying instead that it would defer consideration of the request until Wednesday.

John L. Lewis, UMW president, delivered the union's answer in person to William H. Davis, chairman of the board, at the latter's office in Washington.

The mines, owned by some of the large steel companies, are located in Pennsylvania, West Virginia and Kentucky. The miners—Lewis told reporters 43,000 were involved—are demanding a union shop. The board asked Tuesday that the mines be re-opened at once and called officials of the steel companies and the union to a hearing to be held in Washington today.

"With respect to your request that the mines be reopened," the (Turn to Page 2, Col. 5)

Mott Says US In War Unwise

HILLSBORO, Ore., Sept. 16—(AP)—Immediate entry of the United States into the war would be unwise, because it would reduce the volume of military supplies sent to Britain and Russia, Congressman James W. Mott of Oregon said Tuesday night.

The representative told the Hillsboro chamber of commerce that the present policy of aid to anti-axis powers does not damage US defense.

WASHINGTON, Sept. 16—(AP)—President Roosevelt gave Edward R. Stettinius, jr., power to approve applications for lend-lease held from Great Britain and China Tuesday as one method of speeding final action on them.

Making this announcement at a press conference, the chief executive also was pitted with questions as to whether the navy's protection to merchant ships between the United States and Iceland included convoying, but he declined to make a direct answer.

In that connection, however, he said that amateur strategists should bear in mind that there is more than one way of protecting ships against submarines and surface raiders.

He described the Stettinius appointment as a minor matter, yet one that was typical of things that had been done to cut red tape and expedite assistance to Great Britain and China.

At one time, he said, it took 25 to 30 days for lease-lend applications to pass through all the governmental channels required by the law. This period, he added, had been cut to 18 days.

The chief executive went on to say that a 24-hour delay had been discovered in the White House itself. Late each day, he added, a sheet of such applications reaches his desk, requiring 90 or more signatures. These, he said, did not reach officials responsible for the (Turn to Page 2, Col. 3)

Hoover Tells Views on US War Actions

CHICAGO, Sept. 16—(AP)—Herbert Hoover asserted Tuesday night that the United States should build an impregnable defense, give material aid to democracies, bulwark freedom at home and reserve its strength to help in reconstruction and stabilizing peace "when Hitler collapses of his own overreaching."

He mentioned these points in outlining a "constructive policy" for America and contended that neither isolation nor intervention was wise or possible.

Hoover stated also that President Roosevelt was right in protesting against the firing on US warships and the sinking of merchant ships.

"But the president's policy of edging our war ships into danger zones, of sending American merchant ships with contraband, raises the most critical of all questions," he added in a prepared address over the CBS network.

City Dark, No Water In Strike

Kansas City Hit By "Blackout" Without Warning

KANSAS CITY, Sept. 17 (Wednesday)—(AP)—Kansas City was without lights and power and virtually without water early today as employees of the Kansas City Power Light Co. struck suddenly at midnight.

Only one small water pumping station was operating at 12:30 a.m. with its own supply of power and station employees said it could not remain in action long.

The walkout followed a ruling by the national defense mediation board in Washington Tuesday night that a dispute between two rival unions came within the jurisdiction of the national labor relations board and the United States courts of appeals.

The entire city was in darkness, street cars stalled on the tracks.

The blackout prevented two planes landing at Municipal airport, but sources there said they probably would make use of Fairfax field, a military port, across the Missouri river in Kansas City, Kan.

Kansas City, Kan., is supplied by a municipally-owned system and was not affected.

Suburban communities in Johnson county, Kan., however, receive their current from the Kansas City Power and Light company and were blacked out along with Kansas City, Mo.

The strike came virtually without warning as the master switches controlling light and power were pulled at midnight. Telephone service was not affected.

St. Luke's hospital, one of the city's largest, was entirely without lights. Other hospitals reported they had emergency systems for operating rooms only.

The controversy grew out of a jurisdictional dispute in which the International Brotherhood of Electrical Workers, an AFL affiliate, sought the right to bargain for employees who were members of the Independent Union of Utility Employees.

The company recently appealed from a regional labor board decision saying the independent union was company dominated. That appeal will be heard October 11 in the US circuit court of appeals.

The mediation board, in writing its ruling from Washington, (Turn to Page 2, Col. 6)

Lil' Flower Leading in Mayor Race

NEW YORK, Sept. 17—(Wednesday)—(AP)—Mayor F. H. LaGuardia appeared certain of republican nomination early today in his quest for a third term as returns from 3400 of the city's 4050 election districts gave him a total of 51,129 votes to 36,419 for his opponent, John R. Davies.

On the basis of the nearly-completed returns, it appeared the mayor had won sizable pluralities in the boroughs of Manhattan, Richmond and Brooklyn, while Davies seemed certain of majorities in the boroughs of Queens and the Bronx.

Black Sea Seen Key in Ukraine Battle



Ankara, Turkey, sources reported that the Black sea seems to have been chosen as the setting for a decisive battle between the axis and allies for control of the Ukraine. Arrows show how axis naval units, operating from Black sea bases in Rumania and Bulgaria, could hit at Russian land forces behind the present Ukraine front along the Dnieper river, attack the Crimea and strike at Batum, western terminus of the oil line from the Baku oilfields. Dotted area represents territory occupied by axis forces under axis domination.

What Power Strike Does To Big City

KANSAS CITY—(Wednesday)—Sept. 17—(AP)—The strike at the Kansas City Power and Light company, affects these public services and electrically-powered devices: Water supply believed available until noon today. Street cars and trolley buses: Operations discontinued for duration of strike. Gasoline buses operating. Telephone system: Not affected. Radio receivers and broadcasting stations: Silent. Fire alarm: Not affected. Police radio communication: Not affected. Elevators, refrigerators and storage plants and all electrically-powered hospital and home devices unusable during strike. Electrically-operated filling station pumps.

Allies Occupy Iran Capital

Axis-Favoring Shah Abdicates for Son When Stalling Fails

LONDON, Sept. 16—(AP)—Reza Shah Pahlavi abdicated the throne of Iran Tuesday while British and Russian armies marched on his capital to enforce their demands for expulsion or delivery to the allies of axis nationals in that strategically-located kingdom of the middle east.

The 63-year-old shah was succeeded by his 21-year-old son, the Shahpur (Crown Prince) Mohammed Reza Pahlavi, but an authoritative source here stated that the allied forces nevertheless planned immediate occupation of Teheran. Reuters, British news agency, said these forces were only a few miles from Teheran Tuesday night.

They are expected to enter the capital Wednesday. Orders for the occupation, which the British and Russians (Turn to Page 2, Col. 1)

Web of Nazi Spies Told

Trial Reveals Germany's Interests in US Plane Production, Convoys

NEW YORK, Sept. 16—(AP)—The web of German military intelligence, spun in New York, extended from Alaska and Iceland to Brazil, China and Africa, and covered cities and whistle stops in the United States, according to evidence presented Tuesday at the trial of 16 men charged with espionage conspiracy.

US Attorney Harold M. Kennedy read into the trial record a series of messages received at a secret "spy" radio station on Long Island—built and operated by American counter-espionage agents—which indicated Germany's insatiable thirst for military (Turn to Page 2, Col. 1)

Mrs. Sprague Ship Sponsor

PORTLAND, Sept. 16—(AP)—The Star of Oregon, first ship to slide down the ways of the Oregon Shipbuilding corporation plant here on September 27, will be sponsored by Mrs. Charles A. Sprague.

Governor Sprague will be one of the speakers at the afternoon ceremonies in which the Portland-built emergency-type freighter will enter the water at the same time as 12 others throughout the United States.

Russ Sea Control Is Asserted

Baltic, Arctic Fleets Victors; Nazis Push East

By The Associated Press The German southern armies claimed late Tuesday night to be sweeping eastward from the Lower Dnieper river over broad and hard-won bridgeheads toward the Nogaisk steppe and by these accounts it appeared that a grand offensive to isolate the Crimean peninsula from the Russian mainland was well under way.

Of that southern theater Russian military informants said little Tuesday. They reported, however, a strongly successful continued defense of Leningrad in the northwest, and pictured the Red Baltic and Arctic fleets as in almost undisputed control of the northern waters.

This morning's communique of the Soviet command announced that a second Nazi attempt to land on the Soviet island base of Oesel near the mouth of the Gulf of Finland had been smashed with most of the invading troops annihilated and the remainder driven into the sea.

Specifically claimed by Moscow were: A punishing defeat of German mechanized columns before Leningrad in a battle that cost the Nazis 48 heavy tanks and armored cars and 27 field guns; a spectacular charge by Red troops and civilian volunteers—some of them girls— which threw the Germans out of a series of fortress islands in a river that presumably was the Neva; the defeat of a German tank division further to the north, apparently somewhere on the Murmansk front, and the substantial destruction of a Nazi infantry regiment in that same area.

The running actions of northern Soviet naval and aerial forces were declared to have smashed a total of 30 German vessels, eight of them laden troop transports, and it was said, too, that the big guns of the Kronstadt naval base near Leningrad were in action against the Germans.

Heavy autumn rains were general over the Leningrad front, and official Soviet spokesmen welcomed the approach of winter with declarations that it would bring disaster to Hitler's millions.

Berlin laid claim to general successes all the way from Leningrad—where it was said that Soviet bunkers and blockhouses were being slowly and bloodily reduced—down to the Black sea.

The offensive in the Lower (Turn to Page 2, Col. 7)