

Tax Bill Becomes US Law

President Signs Measure at Home In Hyde Park

WASHINGTON, Sept. 20.—(AP)—With President Roosevelt's signature, the \$3,553,400,000 revenue bill became law Saturday and the federal tax load mounted to record-breaking proportions.

The chief executive signed the legislation at his Hyde Park, N.Y., home, where he had taken it for a study of its provisions. Both senate and house approved it earlier this week and sent it to the White House.

Existing taxes and the new levies are expected to bring in between \$13,000,000,000 and \$15,000,000,000 next year, but even this amount will fall far short of meeting Secretary of the Treasury Morgenthau's recommendation that government spending be financed two-thirds from taxes and one-third from borrowing.

Congressional tax authorities, saying that additional revenue legislation was in prospect, forecast that the present tax structure, plus the new act, would raise only about half of next year's expenditures which are expected to run around \$32,000,000,000.

The new law, which started its course through congress five months ago, will bring an estimated 4,930,000 additional persons under the income tax structure by lowering present income exemptions from \$2000 to \$1500 for married persons and from \$800 to \$750 for single persons. This provision is estimated to raise \$393,000,000, of which \$49,000,000 will be paid by new taxpayers. The remainder will come from individuals already paying income taxes.

In addition to the income tax, citizens will feel the pinch of the new act in numerous other ways. Starting next February, for instance, an estimated 32,000,000 motorists will pay a \$5 annual use tax on their vehicles. Starting October 1, local telephone bills will be taxed 6 per cent and a score of so-called "nuisance" taxes will go into effect.

The latter include 10 per cent levies on everything from refrigerators to luggage; from jewelry to business machines, from optical equipment to sporting goods.

RAF Pounds Axis Held West Coast

LONDON, Sept. 20.—(AP)—The RAF in one of the biggest offensives in weeks, begun by the light of the Aurora Borealis and continued throughout the daylight hours, pounded bitterly defended objectives from Norway to France Saturday.

There was fierce fighting over the English channel in which the British declared they shot down 15 German planes and lost ten of their own, including seven fighters and three bombers. The German high command, in a special announcement heard here by radio, asserted that a total of 38 British planes were shot down, all but three in air combat. The Germans said they lost only two.

Warspite Commander Tells Of Mediterranean Fights

BREMERTON, Wash., Sept. 20.—(AP)—A dramatic account of the British battleship Warspite's part in the present war was unfolded Saturday by Capt. Douglas Blake Fisher, her commander, after the veil of secrecy had been lifted from the mighty ship now undergoing repairs at the Puget Sound navy yard. The vessel has been in drydock since August 11.

It was not the battle of Crete, in which the ship was disabled after enduring a practically incessant rain of bombs for four days and nights, that produced the most interesting part of Captain Fisher's narrative to newsmen.

It was the battle of Cape Matapan on last March 28 in which the Warspite disabled two Italian cruisers and annihilated a destroyer in the brief span of four minutes.

"Our light forces had been engaged during the day with an enemy force that included at least one battleship," he said. "Our forces had caused damage to the battleship and at least one cruiser with gunfire and torpedo aircraft attacks."

Savage Struggle Rages About Kiev

Germans Claim Troops now Beyond Kiev



Berlin claimed that German forces entered Kiev and reported the capture of Poltava, 200 miles east of Kiev. The Nazi high command asserted that two German army groups, in sweeping movements, met 125 miles east of Kiev, trapping four Russian armies. Other Ukraine drives were aimed at the rail center at Kharkov and at cutting off the Crimea.

Troops Parade At Fort Lewis

Governors of Two States And 'Home Folks' See Division in Review

FORT LEWIS, Wash., Sept. 20.—(AP)—The fighting men of five states passed in review Saturday when the 41st division, former national guard force, paraded before thousands of "home folks" for the first time since it was inducted into federal service almost a year ago.

The governors of Washington and Oregon, Arthur B. Langlie and Charles A. Sprague respectively, were in the reviewing stand with Maj. Gen. Kenyon A. Joyce, commander of the Ninth army corps.

The 18,000 troops were commanded by Maj. Gen. George A. White, division commander. Automobiles from Washington, Oregon, Montana, Idaho and Utah lined the parade ground.

The review demonstrated the transformation of the citizen soldiers into a compact unit ready for instant action. The division showed it was a cool, efficient, business-like group, equipped with some of the latest fighting machines in the United States army.

Portland's 218th field artillery drew particular comment as it passed the reviewing stand with its newest 155-MM howitzers, big guns capable of firing explosive, chemical or shrapnel shells and considered among the most destructive field weapons yet conceived.

The 146th field artillery of Seattle and the 148th field artillery from Idaho still had their 75's but spectators were informed both regiments would be turned to President Roosevelt against the commission's action.

Unions Protest Sailing

NEW YORK, Sept. 20.—(AP)—The freighter Alcon Banner of the Alcoa Steamship company, with a crew recruited from the US maritime commission, sailed Saturday for the West Indies with supplies for United States bases shortly after two seamen's unions protested to President Roosevelt against the commission's action.

Harry Leroy Linck, 42, Portland, employed by the Doernbecher Manufacturing company, was known to have sustained a broken leg and facial abrasions. Although diagnosis had not been completed, internal injuries were suspected.

Linck had evidently fallen asleep at the wheel and swerved his car into the pathway of another automobile driven by Don Brook, 21, as the Brook car headed toward Salem, early arrivals at the scene said. Linck's sedan was almost demolished; front and left side of the Brook car were flattened.

Riding with Brook was Walter Donald of 990 North 17th street, whose face was severely cut. Brook, a Willamette sophomore, (Turn to Page 2, Col. 6)

Booers Okeh At Meetings

Says Mayor

SEATTLE, Sept. 20.—(AP)—Mayor Earl Millikin made it known Saturday boopers at next Tuesday's America First mass meeting will have the same privilege as those who may wish to cheer.

He made this announcement in commenting on a letter from State Treasurer Otto Case, chairman of the committee for Washington, who appealed to the mayor "to take such steps as you deem proper to assure Senator Wheeler and all citizens who desire to attend this public meeting freedom from any rowdiness or any interference whatsoever."

Millikin said "There will be police to prevent bloodshed or disorderly conduct but if one man wants to cheer and another to boo I am not going to try to suppress either."

"The same freedom of speech that permits Senator Wheeler to express his ideas here will be allowed to those who may wish to express their disapproval of his views."

Trio Injured In Highway Auto Crash

A Portland factory employe was in critical condition early this morning and two Willamette university students were suffering from minor injuries as a result of a head-on collision shortly before midnight. The accident occurred on the Salem-Dallas highway near the Bonneville power station.

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Albuquerque Gas Cut Off by Cloudburst

ALBUQUERQUE, N.M., Sept. 20.—(AP)—A mountain cloudburst left Albuquerque without natural gas late Saturday, and utilities officials said it would be at least two days before service could be restored.

J. R. Cole, president of the New Mexico Gas company, placed the break at seven miles north of Albuquerque. A 15-foot wall of water raged down an Arroyo from mountains in a volcanic area, he said, and ripped out the line.

Nazis Shoot Dozen More

Paris Reprisals for Death of Soldier

PARIS, German-Occupied France, Sept. 20.—(AP)—A dozen Frenchmen went before a German firing squad Saturday in a 12-lives-for-one reprisal.

This mass execution of hostages was a ratio increase in punishment of the Paris population for acts against the occupying force and was the occasion for a warning that the reprisals would be further stepped up in the event of more attacks against German soldiers.

The 12 died in retaliation for an attack in which one German non-commissioned officer was killed early last Tuesday. It was the largest number of hostages yet shot and raised the total to 25.

The ratio which previously had stood for reprisals was three hostages executed for each German attacked. None of the other Germans was killed, however.

In Vichy it was announced that French authorities had condemned three communists to die. One of them was Adolphe Guyot, communist leader of the Paris district. A Free French radio broadcast from London stated that "for each Frenchman shot in reprisal by the German army of occupation, two German heads will roll on the day of final reckoning."

The executions were announced by the German military (Turn to Page 2, Col. 4)

Engineers Swinging Along



Loaded down with full packs and rifles, four engineers swung across a ditch on horizontal ladders—one of the 15 obstacles on the new cross-country course opened up by the army at Ft. Belvoir, Va., engineer training center to toughen up assault troops.

US Food Tops For 10 Years

Statistics Show Living Costs up 7 1/2 Per Cent

WASHINGTON, Sept. 20.—(AP)—Food prices and the cost of living have reached their highest point in 10 years under the impact of the armament effort, but an accompanying rise in weekly earnings of factory workers, government economists say, has more than kept pace with climbing prices.

Records of the bureau of labor statistics show that the cost of living has gone up 7 1/2 per cent since the start of the war in Europe. But in the same period average weekly earnings in manufacturing industries have increased 32 per cent.

This is contrary to the experience of the first two years after World War I broke out in Europe. In 1914-16, living costs jumped 14 per cent. Figures are not available on wage increases of that period, but economists say that earnings lagged behind increasing costs.

Current higher earnings and wage increases, of course, have not reached all workers, and there are many persons with fixed incomes, receiving no more now than they did two years ago.

But in the manufacturing industries, especially in the durable goods establishments where so much of defense production is concentrated, workers have received a substantial margin of "real wages" above and beyond the rise in living costs, economists say.

The rise in the cost of living is largely the story of the rise in retail food prices. The labor department's study shows food prices have gone up (Turn to Page 2, Col. 5)

Portland Gets US Navy Job

PORTLAND, Sept. 20.—(AP)—Naval contracts for 13 additional vessels, costing nearly \$12,000,000, have been awarded Portland firms, shipyard officials said tonight.

The Albina Engine and Machine Works, which had contracts for four sub-chasers, will construct five more at \$640,000 each. The Commercial Iron Works will build four sub-chasers of the same type and four fleet tugs at \$1,500,000 each.

Naval officers here confirmed notice of the awards.

Kiev Street Before Capture



This is Vorovsky street in Kiev, capital of the Russian Ukraine, which the German high command said had been captured.

Willamette Launches 100th Year of School

New President Expected October 15; Freshmen Week Starts Monday With Classes Opening on Thursday

Eagerly looking forward to the new president, Willamette university students and faculty today launch the school's 100th year. Freshman week starts Monday and classes Thursday.

Dr. Carl Sumner Knopf, successor to Bishop Bruce R. Baxter as president, may arrive before October 1, Paul B. Wallace, chairman of the board of trustees, indicated Saturday.

Numerous returning students were seen on the campus during the past few days, and the majority of the freshmen are expected to arrive today. Lausanne hall, women's dormitory, opens for residence today, reserved to capacity, according to Miss Lorena Jack, director.

Freshmen are to enroll Monday morning with the registrar, Walter Erickson, who said the class appears to be equal to last year's entering group of 342. He declared, however, he could make no prediction of how many would return to be in the other classes, because of defense activities.

Other Monday events are assembly with Dr. R. Franklin Thompson, dean of freshmen, at 10:30; introduction to campus at 11:15; English placement test at 1:30; assembly in charge of Dean Chester F. Luther at 3:45; faculty reception for freshmen at 7:45.

Calendar for the remainder of the week includes: Tuesday—Physical examinations, freshman registration, the first meeting of the class, to elect temporary leaders. Wednesday—Physical examinations, assemblies, aptitude test, freshman parties. Thursday—YM-YW formal reception in the gymnasium, classes begin. Friday—Willamette College of Idaho football game, followed by student body dance. All other students register Wednesday, a procedure moved this (Turn to Page 2, Col. 8)

Salem Nurse Is Killed in Canby Crash

PORTLAND, Ore., Sept. 20.—(AP)—A head-on collision on the Pacific highway north of Canby killed Mrs. Isabell Fendall of 1970 Broadway, Salem, Saturday.

Her daughter, Mrs. Walter Fandrich, Grand Ronde, Ore., formerly of Salem, driver of one of the automobiles, and Marcel Du Poy, Portland, driver of the other machine, were hospitalized in Oregon City with minor injuries.

Mrs. Isabell Fendall, Salem nurse, killed Saturday in an automobile collision north of Canby, had made her home at 1970 Broadway for the past two years. She was a former resident of McMinnville. Mrs. Fandrich who was injured is well known among Willamette students. Her husband is a logging foreman employed in the Grand Ronde district.

Nazi Loss Terrible Say Reds

Bulgars Soon to Enter War With Axis, Report

By The Associated Press

The Russians reported a "savagely life and death struggle" raging Sunday about Kiev with a quarter million fresh Nazi troops thrown into the battle for the Ukrainian capital, already claimed by Berlin to be the prize of Adolf Hitler's blitzkrieg forces.

The Moscow announcement indicated the red army might still be in possession of at least a part of Kiev, where the Russians said the Germans have lost 10 divisions—perhaps 150,000 men—in unending assaults upon the soviet defenders.

On the other hand, Berlin reported a perfect example of blitzkrieg technique, implemented by every weapon in the Nazi arsenal, had delivered the old city completely into German hands.

These claims and counter-claims came as the United States and Britain hastened their program of aid for the sorely-beset soviets.

The Russians reported success in a naval clash, the sinking of a big German transport in the far northern waters of the Barents sea.

Reports reached London that a state of emergency had been declared in Bulgaria and the diplomatic correspondent of the Sunday Dispatch reported that King Boris had decided to take the Balkan kingdom into the war on the side of the axis.

The state of emergency was linked with a Bulgarian charge that a number of Russian parachutists and officers had fled from the Kiev citadel and that the German troops pouring into the city hot on the heels of the fugitives. This implied without definitely stating that the entire city had fallen.

Unofficial German accounts from the front, however, said all the city of 850,000 population was taken by the combined and terrible force of flame-throwers, dive-bombers, tanks and charging infantrymen who hurled showers of grenades before them.

It was a smoothly-working co-ordination, an essential item in the broad plan for the conquest of the remainder of the rich fields and factories of all the Ukraine, these dispatches stated.

W. Averell Harriman, chief of the American mission to Russia, said in London that his mission and the British already had agreed on immediate material aid to Russia to be limited only by the transportation problem. He prepared to hasten on to Moscow to join the head of the British mission, Lord Beaverbrook.

"The British people have a much better realization of the (Turn to Page 2, Col. 1)

Allies Probe Japs in Iran; Suspicion Aid to Germany

TEHERAN, Iran, Sept. 19.—(Delayed)—(AP)—The Japanese legation was under strict surveillance of the British and Russians Friday, partly because the legation's diplomatic mail pouches and radio code messages have greatly increased in recent days.

The allies suspected the Japanese of helping the Nazi cause, especially since axis legations have been forced to close.

Neither had the Japanese replied to a demand of the Iranian government for the surrender of the grand mufti of Jerusalem and a number of Nazi fugitives. The grand mufti long has been a leader of Arab dissidents against the British in the middle east.

Meanwhile the abdicated shah, Reza Pahlavi, was confined to his quarters at Isfahan, 200 miles south of here, while the government began a grave inquiry into his wealth.