

FDR to Sign Tax Bill Today

Congress Vote Nearly Unanimous on Huge Revenue Measure

(Continued From Page 1)

used the measure briefly and approved it by a standing vote of 130 to 2. The two dissenters were Reps. Hinshaw (R-Calif.) and Robison (R-Ky.). Hinshaw disliked the victory tax and Robison thought several items could have been improved.

The senate talked the measure over for an hour, heard some sharp criticism of the 3 per cent tax on freight bills, and then approved the bill by a voice vote which sounded unanimous.

The measure raises income tax rates to their highest level yet. The normal individual income tax rate is increased from 4 to 6 per cent. To that is added a graduated surtax starting at 13 per cent and increasing to 82. At present the surtax ranges from 6 to 77 per cent. Personal exemptions have been lowered.

The result is that the taxpayer will pay 19 per cent of his dollar of taxable income, with the total percentage to be paid rising sharply as income increases.

In addition, the bill levies the new victory tax, called by some a gross income tax. Under its terms, all individuals will be taxed a flat 4 per cent of income in excess of \$12 a week, or \$624 a year. Some deductions are permitted for debt payments, insurance, premiums and war bond purchases, or a portion of the tax may be recovered after the war.

An increase of nine percentage points in the tax on corporations was provided, raising the levy from 31 to 40 per cent by a combination of normal and surtax rates. Excess profits will be taxed at 90 per cent, after a \$5000 exemption. The present excess profits tax is a graduated scale running from 35 to 60 per cent.

The bill freezes social security tax payments at the present rate of one per cent on employers and one per cent on employees, over the opposition of President Roosevelt. The president may criticize this feature in connection with signing the bill. The taxes had been scheduled to rise automatically to two per cent January 1.

The tax on passenger transportation is increased from 5 to 10 per cent. A new levy of 3 per cent on freight bills is imposed. In addition, the bill increases virtually all the excise taxes now levied. These will become effective November 1, if Mr. Roosevelt signs the bill by midnight Wednesday, otherwise they will take effect December 1.

Liberty Ship Rose Sunk in Atlantic

RECIFE, Brazil, Oct. 20-(AP)—Sinking of the 10,000-ton US liberty ship John Carter Rose was disclosed Tuesday with arrival of 35 survivors aboard the Argentine tanker Santa Cruz.

The John Carter Rose, completed only two months ago, was owned by the US maritime commission, and her home port was Baltimore.

Interpreting The War News

By KIRKE L. SIMPSON
Wide World War Analyst for The Statesman



The British admiralty revelation that 530 axis submarines have been sunk or damaged by British and "some American" action since the outbreak of the war is a startling figure, although its significance is not measurable without a time breakdown to show the current rate of sinkings.

Just why it was decided to break British silence on U-boat sinkings at this time is not indicated. That information has been closely guarded on both sides of the Atlantic and it was to the Atlantic-Mediterranean theatre First Lord Alexander referred.

What Alexander stressed was that Anglo-American second-front operations in Europe must depend upon "the degree of control we exercise at sea as well as in the air." His remarks were clearly designed in part to still public clamor in England for a premature second-front attack, or at least to impress his hearers with the scope of the problem.

Such figures have been withheld up to now in London and Washington as a result of World War experience. The progressive demoralization among German U-boat crews in that war was a major factor in the final German home front collapse. They saw comrades put out increasingly never to be heard of again. There was no mention of the actions in which they died or were captured in British announcements. The gnawing effect of that upon the morale of German undersea personnel led to mutiny.

In there today any dim indication of declining public morale in Germany or Italy as another grim war winter closes down? It seems indisputable. It was almost conceded by Hitler and his Nazi spokesmen in recent speeches.

A rising tide of revolt against the Nazi conquerors in Norway, Denmark, the low countries, France and the Balkans is reflected in many ways. A crisis for the French collaborationist regime at Vichy is undeniable. Nazi garrison troops in many sections of occupied territory are reported living almost in a state of siege, surrounded by protective barbed-wire.

To cap that have come reports of mutinies by German and Italian units ordered to the Russian front. There is no way to test their truth, but the conditions under which axis forces of occupation in the Balkans or elsewhere are serving are not conducive to high morale. The grim lesson of last winter in Russia must make assignment there a matter of dread for axis troops.

Whether the progressive toll of U-boats lost in action is sapping Nazi undersea personnel morale seriously is a matter of pure conjecture. There can be no question, however, that a morale collapse on that limited sector of his home front could wreck Hitler today as it did the Kaiser in 1918.

New Battlers Roam Oceans For Britain

(Continued From Page 1)

destroyed or damaged by British and American forces since the war began. The commanders of the new battlerships are Capt. H. R. G. Kinahan of the Anson and Capt. C. H. L. Woodhouse of the Howe. Woodhouse already has a feather in his cap from one contact with a crack ship of the German navy. He commanded the cruiser Ajax in the battle of the river Plate with the pocket battleship Admiral Graf Spee. He and Kinahan teamed together as cruiser captains in the West Indies before the war.

Details of the action in which the Anson already has engaged were few. But it was announced that she had tested her armament by firing a dozen rounds and chased a German scout plane away from an important convoy.

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It's Saucy! It's Gay!
MORNA BEECHER-DOUGLAS
WE WERE DANCING
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The Best Thrilling SPY-HUNT of the year!
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2 Miles North of Albany on Highway 99
Wednesday, October 21
SPARKLING ENJOYABLE MUSIC BY
Let Us Remind You that if you want a gay, care-free evening of fun; don't miss our regular Saturday Evening Dancing Party with Al Benning's Ork. and Dorothy Evans.

Older Soldiers May Take Jobs

Labor Shortage Areas To Get No Work; Luxuries Muled

(Continued from page 1)

had said the army was studying such a plan.

With regard to luxury goods, Mr. Roosevelt remarked that he had been on a drive and had been held up in a small town near Washington where he had time to stare into store windows. Three quarters of them, he said, were filled with luxury goods which we could do without. One reason, he said, is that people began stocking up their stores some time ago.

We have got to face the question, the president declared, whether we are going to allow production of luxury goods to continue.

In that connection he noted that people now had about \$14,000,000,000 in cash in their pockets, compared with about \$9,000,000,000 some time ago. People with that extra \$5,000,000,000 are going to spend their money for unnecessary things, he said, and since they will buy luxuries, the stores will tie up manpower to manufacture them.

Moreover, he remarked, the fellow who gets his salary in cash is less likely to buy war bonds than the one who is paid by check.

WASHINGTON, Oct. 20-(AP)—The War manpower commission Tuesday listed 66 labor shortage areas to be avoided in placing war production contracts (whenever the facilities for meeting the "production" requirements are available in other areas.)

On the other hand, the WMC listed 97 areas as having labor surpluses and designated them as areas "in which contracts should be placed."

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Russians Drive Back Assaults

(Continued From Page 1)

"This attack also was repelled with heavy losses to the enemy in men and tanks. At the end of the day our troops firmly held their positions.

"Our troops likewise repulsed all enemy attacks in the area of one of the factories. German war prisoners stated the German divisions which participated in the attack during the past days have lost 70 per cent of their effectiveness.

Soviet troops above Stalingrad were said to have strengthened their positions in local fighting on the main flank with one Russian detachment wiping out two Rumanian infantry companies, and anti-aircraft gunners knocking down two Nazi planes.

In the Caucasus the Russians said their counter-attacking troops captured a populated place and "continued to press back the Hitlerites" in the Mozdok area which bars the Nazis from the Grozny oil fields some 50 miles to the east.

"As a result of the fighting in this sector about 900 German officers and men were killed," the communique said. "We captured an enemy store of food and uniforms as well as various arms."

Southeast of Novorossisk along the Black sea coast the war bulletin said that soviet marines had repulsed enemy attacks, killing 100 axis troops in one sector and dispersing a Rumanian infantry company in another.

Like the midnight communique, yesterday's noon communique also indicated the Germans had been unable to extend their salient in the ruined factory sections of the city.

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Deductions Few From Income Tax; Victory Levy Slated

(See also story on Page One)

WASHINGTON, Oct. 20-(AP)—Taxpayers who have business expenses and individuals who receive compensation for injury or sickness will be able to deduct those items from income before figuring out their 5 per cent victory tax.

The victory levy, a new impost placed on top of the regular income tax, will go into effect January 1 on incomes over \$624 a year. Periodic collections will be withheld from the pay checks of wage and salary earners.

Ordinary individuals will have few deductions from the tax unless they are engaged in business for themselves. However, they can subtract any alimony or separated maintenance payments from their taxable income as well as any gain from the sale of a capital asset and any compensation they receive for injury or sickness.

Business men will be permitted to deduct the expenses they are allowed to subtract from their regular income tax net income, including interest, taxes, business losses, bad debts, depreciation, depletion, payments to pension trusts, net operating losses, and amortization.

The new tax will be collected from all alike, whether they are single or married and have dependents.

Thus a wage earner who makes between \$20 and \$24 a week, for instance, will find 50 cents withheld weekly from his paycheck and a man who makes between \$70 and \$80 a week will find \$3.10 subtracted. (In certain cases, such as wages paid to domestic servants and fees paid to public officials, the tax will not be collected at the source but will be payable in the same manner as regular income levies.)

At the end of the year, the married taxpayer will be permitted to claim a credit for 49 per cent of the tax, plus 2 per cent additional for each dependent, up to a maximum of \$1000. The single person can claim credit for only 25 per cent of his tax, or a maximum of \$500.

This credit can be used in two ways, either for current deductions or for post-war rebates.

Laval Appeals For Workmen

(Continued From Page 1)

scription since his appeal was not expected to yield the 150,000 volunteer workers demanded by Hitler.

(Private advices reaching Bern said Laval had until November 1 to furnish the full 150,000 in order to avoid the "measures of constraint" to which he referred.) Laval told his listeners that his government was "resolved not to tolerate resistance" to his appeal that workers go to Germany despite their "love of liberty and of independence."

"The government must be obeyed," he said.

"The highest interests of France demand that we undertake a policy of entente with Germany," he said. "I am directing the policy of France in such a way that France shall not be the victim of a German victory." He added that such a victory was inevitable.

Germany has the right to take workers from France, Laval went on, "because these are the laws of war" and that Hitler's cause had to be supported "because I am certain—and do not doubt for one moment that I am telling the truth—that if Germany were beaten the soviets would tomorrow make the laws of Europe."

Fite Results

PORTLAND, Oct. 20-(AP)—Cottello Cruz, 156, Santa Barbara, Calif. pounced out a decision over Leo Turner, 157, Portland negro, in the last two rounds of a crowd-pleasing boxing match here Tuesday night.

A slugging bee from start to finish, the bout turned to Cruz in the ninth and tenth when he ripped home solid blows at infighting.

LIBERTY
All New Show TODAY
He's the Whoos-Ho-o-o! of Merry-Mad Comedy . . .
HUGH HERBERT
Mischa Auer - Ernest Truex
DON'T GET Personal
Two Action-Packed Hits
Don "Red" Barry in "Apache Kid" With Lynn Merrick
18c Plus Tax Till 5:30

ON the HOME FRONT

By ISABEL CHILDS

Package FROM camp received and contents noted. The chewing gum should aid considerably in bolstering civilian morale. As for the bottle caps, I know Mr. Censor, that bottled goods are not acceptable in Uncle's mails, but if you had to drink the coke addressed to me by a kindly friend in khaki, was it necessary to leave the little reminders in the box?

Women who eat at officers' mess should put in the afternoon drilling troops, or head immediately for some successful school of reducing.

The cauliflower was gone when we arrived (and I did not cry) but our plates were heaped with squash deliciously "loaded" with brown sugar, fresh buttered carrots, succulent and cooked as the nutritionists advise, two cube steaks served in a gravy made with vegetable stock in which I could discern onions and celery, all well-seasoned. Oh, yes, when the young lieutenant said he'd skip the soup I sought a sample, just to see what was wrong. It was non-greasy, full-flavored and filled with still crisp and tasty vegetables.

The salad was my own brothers' favorite, a great platter of fresh, sliced tomatoes on lettuce leaves, dolled generously with a tangy salad dressing.

On the table also was bread (both white and brown if I remember correctly), a variety of sauces, butter, jam, salt and pepper and a steaming pitcher of GI coffee. To an army man the GI is sufficient description—me, I've tasted worse at some well-rated restaurants on days when the java trade had not been brisk.

As for the rice pudding—well, that takes a woman's hand. Perhaps when the WAACs get in, the boys may even be served blanc mange with whipped cream, but until that time they can always buy a candy bar at the well stocked PX (post exchange to us).

En route home, we picked up a big private, a fisherman from St. Helens, he was. "Suppose you ate at officers' mess," said he with a sigh, and we thought he might be hungry, so we questioned him. His menu had been the same as ours, except that he was in time for the cauliflower . . . maybe that explains the sigh!

No Move Made On Solomons

(Continued from Page 1)

Knox did not elaborate, but he said "It is still a good stiff fight" and news from the battle area is being made public as quickly as received in Washington.

BERLIN (from German broadcasts), Wednesday, Oct.

Oregon Claims First Place, Scrap Drive

(Continued From Page 1)

The airport offered the services of their men and trucks last week to load and haul the collection of a number of years they had found at the old city incinerator site. Members of the county and state salvage committees, viewing the metal there, agreed with one city junk dealer that in its present shape transportation would cost more than it could be expected to bring.

On the other hand, it was pointed out, except for its encrustation of dirt and rust much of it is similar to the contributions of city residents. In rural areas, salvage committee members agreed, the more valuable donations are already being received in the form of heavy discarded farm machinery.

October 26 was this week named pickup day for scrap metal collections in Bethel and Fruitland districts, where the community will provide four trucks and make its own sale, proceeds to go to the air observation post. Pringle, providing its own trucks except in the more congested area adjacent to Salem, where assistance from the city may be asked, is to gather its scrap harvest October 29; the same days has been selected for Pleasant Point.

Named on the Salem city council's special committee by Mayor W. W. Chadwick are Tom Armstrong, Frank Marshall, James Nicholson and David O'Hara.

GRAND
Jeanette MacDonald
"CAIRO"
Robert Young
Lloyd Nolan
"APACHE TRAIL"
Continous Show
Daily - Mat. 1:30

Gambling Daughters
Box Office Open 1:00
with CECILIA PARKER and ROGER PRYOR
Debutantes of SIN
Now Showing Plus Tax 22c
GIRLS' TOWN
EDITH FELLOWS
JUNE STOREY
KENNETH HOWELL
Alice WHITE - NILSSON
Plus Tax Till 5:30

ELSMORE
Now Two Big Hits
PANAMA HATTIE
with SKELTON SOTHERN
Plus Companion Feature
"She's a Terror with a Gun"
"LADY GANGSTER" with Faye Emerson - June Bishop
Plus MARCH OF TIME
See how the FBI fights its secret battle against Axis agents!

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STARTS TODAY
Paulette's back . . . in the raciest, most riotous romantic escapade you'll see this year!
MILLAND GODDARD
— PLUS —
Stirring Thrilling Youthful romances!

HOLLYWOOD
Today Thurs.
It's Saucy! It's Gay!
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WE WERE DANCING
Plus 2nd Feature
The Best Thrilling SPY-HUNT of the year!
FLY BY NIGHT
Honey Kelly
Richard Carlson
Added March of Time News - Cartoon