

of all income brackets, with rates that might range from one per cent for the small wage earner p to 90 per cent for a person th a \$1,000,000 salary. The withholding rates under

the new plan would follow roughly the effective rates of tax liability and would vary according to size of income and marital status. Effect would be given to the exemptions by var-lations in the withholding rates. The present 20 per cent withholding levy, collected after fam-

ily status deductions, is calculated to cover the tax obligation only through the first surtax bracket. As outlined by the treasury

secretary, the administration's program would increase federal annual revenues to almost \$50,-000.000.000-about one-third of the national income. It provides:

1. Individual income tax-Raise \$6,500,000,000 in addition to the present collection of a bout \$16,000,000,000; reduce the personal exemption of married couples and heads of families from \$1200 to \$1100 and reduce the dependent credit from \$350 to \$300, the single person's exemption remaining at \$500; repeal the 5 percent victory tax; and repeal the earned income credit. Repeal of the victory tax would relieve about 9,000,000 people of any income tax.

2. Corporation income taxes-Increase surtax rates, the combined normal and surtax reaching a maximum of 50 percent as compared with the present maximum of 40 percent on corporations with income in excess of \$50,000. Calculated to yield another \$1,140,000,000.

3. Excise taxes-Increase all along the line, and add soft drinks and chewing gum, bringing in an additional \$2,290,000,000. A bottle of pop would be taxed one cent.

4. Estate and gift taxes - Increase estate tax rates, reduce specific exemption from \$60,000 to \$40,000, and increase gift tax rates to three-quarters of the new and higher estate tax rates.

5. A postwar credit system, to apply primarily at the lower levels of income, by which \$2,270,-000.000 to \$3,510,000,000 of the increased take from individuals would be refunded. Persons who of over 15 per cent since Pearl donment of Starotamanskaya, vir-



By DEAN SCHEDLER

One of the Japanese gun-

boats also was sent to the bot-

tom under heavy shelling from

surface units of Adm. William

F. Halsey's south Pacific naval

force, Gen. Douglas MacArthur

The scene of the action, which

was repeated the following night

when further losses were inflict-

ed upon the enemy, was in the

narrow waters between Ameri-

can-held Vella Lavella island in

the Solomons and the weakening

Japanese position at Vila on Ko-

Indications were that the bar-

ges carried full loads of enemy

troops. A spokesman at Gen-

eral MacArthur's headquarters.

however, said there was no im-

mediate report on the probable

number of soldiers annihilated

On the night of the first attack,

enemy planes attempted to dis-

have crossed the Gusap river.

The Gusap, a tributary, flows

of the long-held allied airfield at

Bena Bena, in interior New Gui-

Off Buka, at the extreme north-

nea 90 miles northwest of Lae.

cargo ship.

lombangara to the south.

in the two actions.

announced today.

-V--Because the hats, reputedly ordered by a Salem merchant for

the state police, were the wrong color when they arrived. There are more than 26 police flotillas of gunboat-escorted barreserves, I am told from uninges in the Vella gulf the night of formed sources, but there were Oct. 1-2 and destroyed more than only 25 of the wrong hats, so the 40 of the craft. council authorized the purchase of only 25 of the new bonnets.

-V-This isn't meant as carping criticism, or even as an "exposure", for probably the defense funds were well spent in the purchase of the hats, although once it was decided that the reserves would have only badges provided from those funds. A uniform of some sort IS practically necessary if the services of an officer are to be effective.

Now if some enterprising merchant would just make a mistake in the color of the trousers he orders, the short people of the town as well as the tall people would know when to dodge a militant officer of the police reserve.



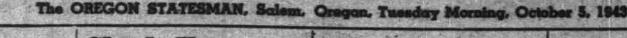
D (Continued from Page 1) D "The enemy is launching fierce

bomb damage from a near miss. counter-attacks and trying to retain their positions at any cost," southwest Pacific battlefront, alsaid the bulletin in describing the lied ground forces pushing up the Mogilev front. Ramu river valley in northeastern

Soviet airmen entering the white Russian skies above the armies grappling in the marshes below knocked out 10 German tanks, 40 guns, and more than 100 trucks carrying was materials, it was

said. The shortest communique ye since the powerful red issued army launched its summer campaign in the Orel-Kursk sector also reported for the second consecutive day only "active reconnaissance and artillery duels" on other sectors, including the

Ukraine Dnieper river line. There were no specific advances announced, no towns captured. Nor was any mention made of ground operations in the northwest Caucasus where the Germans have announced the aban-





The eighth army's landing at family fight between fascists Termoli confronted the Germa and anti-fascists and some fifth with a new threat to their left flank. Fifty miles north of the The only point where actual great air base of Foggia, the German resistance was encounport is at the sea head of a good tered as the army entered Naples lateral highway that runs inwas at the airport where a Britland to connect with a main ish patrol found a number of Gernorth - south trunk line running man armored cars which fired a up over the Appennine mounfew rounds and then sped down tains to Rome.

Termoli is about 215 miles up Living in Naples today is like the coast from Otranto on the Italsitting on a time bomb and wonian heel and 190 miles south of dering if that noise you hear is Rimini, where the Po plains be-

gin. It is along the historic path Everybody knows the city is of conquerors toward the Emilmined. The question is: What kind ian way, which leads to the Po- of the war. of mines? Ordinary booby traps valley in northern Italy.

are bad enough. One wouldn't Gen. Montgomery's forces now dare to pick up as much as a piece stand almost directly eastward of shrapnel from the street with across the Italian peninsula from any assurance. However, with rea-Rome and are about the same distance from the eternal city as are

Gen. Clark's divisions fighting out of Naples. By continuing its swift progress up the Adriatic shore, the British eighth could make it virtually impossible for the Germans to put up a major defense south of Rome, or, indeed, south of the Po line.

There already was evidence that vesterday's crossing of the Calore by the Americans had forced the nazis to abandon any thought of making a stand on the Volturno, which swings around to the north and west about 20 miles out of Naples. The Calore, which the Americans reached with the capture of Benevento, flows into the Volturno about 25 miles north of Naples. Once across the Calore in force, the Americans will be able to strike westward with little na-

tural impediment. Among the towns listed as taken in today's allied communique were Castelfranco, 20 miles northeast of Benevento; Genestra, also northeast of Benevento; Montecalvo, 16 miles east of Benevnto; Mirabella, Melito and Bonilo, all east and southeast of Benevento; Lapio, Altavilla and Arpina, south of Benevento; Motto, 28 miles northwest of Foggia, and Montemiletto, 11 miles southeast of Benevento. There was only a the multiple blows into Germany secting the Italian peninsula from Termoli to Naples. had rattled the enemy defe

Council Okehs Salvage Depot **On Riverfront** A (Continued from Page 1) A forbid such business there,"

fought any liberalization of the regulating ordinance.

Steinbock declared last night following the council session that "When the war is over if there is any move to develop that area, I'll be right there. It's my proper-ty, and I will favor anything to make it more valuable. Of course, this business will not be so good then, and I'll gladly move out-I might even put a fine building there." (.....

Aldermen, who had tabled the measure several times, indicated that when the resolution actually granting the authority to construct the wooden fence comes up they will ask that the city hold it out to Steinbock on his promise to remove it and the unsightly business within six months after the close

The bicycle ordinance was defeated without argument following its third reading. Whether its defeat means that the city will be without licenses for the several thousand wheels in use here or merely that a place other than the treasurer's office and examining authority other than the treasurer will have to be named in another ordinance was not discussed. .

Without discussion, the council adopted a resolution making the airport lease to the federal government an automatically - renewed document, with June 30 1967, established as absolutely final date. There is provision for termination of the lease following the war should the city desire to end the army occupation of the base. Neither discussion nor explanation accompanied ordinance from the street ways and means committees, fixing working hours for most city employes and defining and regulating "overtime," and setting salaries respectively.

The city recorder was authorized to have the city hall roof-gutter and drainage system checked and repaired. The city engineer was instructed to proceed with repairs to three bridges, taking money needed over and above the \$500 in the bridge fund from monies dedicated to streets.

Largest bridge job is that to be undertaken at the South 21st street span where weakening retaining walls reputedly threaten the enslight arc in the allied line bi- tire structure. The roadbed of the South Capitol street bridge over a short while might make the

Company Says Salem Fee Is Unfair

A petition asking reconsideration of the operations tax on the Railway Express company in Sa-lem as "discriminatory" was presented to the city council Monday night and referred to the com-mittee on public utilities.

A June ordinance raised the tax on the company's operations here from \$25 a quarter to \$75 a quarter, a sum equal to that charged in Portland where the concern operates 65 vehicles, counsel for the company declared. In Salem three trucks, all lighter when loaded than city buses, operate, he said.

The company asks either a re-turn to the old tax, a readjustment so that the company is taxed as are city buses \$35 for each vehicle each year or a leveling off process in which all other 10 or 11 truck lines making deliveries in Salem and using Salem streets are charged the same as the ex-

press company. An inter-state concern, and so probably protected constitutionally from such a city tax, the express company is ready to pay its share toward the city's operation, the attorney from Portland declared, explaining that \$300 a year seemed a heavy share.

Public Mart Plan Given Support

Experimentation with a public farmers' market and allocation of \$150 from the city emergency fund for that purpose were authorized by the Salem city council Monday night upon recommendation of a special committee, but not without discussion.

The \$150 will be used to secure canvas cover and/or build rough stalls from which farm produce may be sold direct to the consumer, A. H. Gille, chairman of the special committee, said in response to queries. Merchants will have little or no objection to establishment of such a market, Alderman Elmer O. Berg, himself a grocer, and Alderman L. F. Le-Garie, who was in that business in Salem for many years, said.

A little more howling from the consumer about purchasing difficulties and a hands-off policy for Shelton ditch and the sidewalks of OPA regulation system top-heavy

The resolution adopted last

night provides for appointment

by the mayor of three persons, one

to be a member of the council.

one a woman to represent the

consumers and one from the Sa-

lem grange, to serve until January

First of the "defending" anti-

participate in the maneuvers here this month arrived Sunday at the

will

1, 1944, as public market commis-

Air Unit Here

For Maneuvers

aircraft artillerymen who



columnists, he said.

the road.

a clock ticking.

In addition to the German tar-New Guinea were reported to gets, the Fortresses also blasted the enemy-held air field at St. Dizier, France. into the Ramu 20 miles northeast

US Thunderbolts (P-47s) sup-

ported the Fortresses in their pen-

etration into enemy territory and withdrawal support was provided by squadrons of Spitfires. The ern end of the Solomon chain, a day's operations were described as navy Catalina patrol bomber among the biggest yet carried out bombed and damaged an enemy by the American Eighth air force. destroyer and a large transport or In the attack on Kassel, 100 miles east of the Ruhr, the RAF The destruction of 40 barges dropped a concentration of bombs off Vila brought to nearly 150 the equal to the best record made number of such craft sunk or against Hamburg on July 27 and smashed in these waters since against Berlin on September 3. the first of September, Previously, Frankfurt is only 100 miles to the south. Strong opposition was reported on the American raids, but there were, indications that

Harbon could take the credit currently; others, after the war. could take the credit

Germans Win Strongholds **On Coo Island**

By-WILLIAM SMITH WHITE LONDON, Oct. 4 -(AP)- Striking in strength by sea and air. German forces have wrested several strong points from the British on the island of Coo in the Italian Dodecanese, the allies acknowledged per and the Gomel-Vitebsk railtoday, but in Yugoslavia determined patriot armies heavily engaged the nazis on a long, irregular front.

The counter - assault upon Coo, 23 miles long and the second largest island of the Dodecanese lying near Turkey, was a minor but measurably setback in the allied campaign in the Aegean, and the middle east command announced that "the fighting continues."

A strong air armada punished German invasion boats all day Sunday. When the landings began and big bombers including Liberators and Halifaxes winged out to bomb the air fields at Calato On Palmistry on Rhodes and Heraklion in Crete to weaken nazi air support of their island drive.

Coo was recovered September 22 by British parachute troops and seaborne forces along with Lero in the Dodecanese and the Greek island of Samos to the north.

The Yugoslavs, cager to speed the day of liberation, battied the nazis on a front from northeastern Italy in the frontier region 350 miles down the coast of Yugoslavia, broadening their lodgement in the lower section of their homeland and tearing up German port and rall communications in the bottleneck where the Italian peninsula meets the Balkans.

Farewell Breakfast For Inductees Today

Salem Victory committee plays as a matter of one coun-host this morning to departing inductees at the Chemeketa street USQ. The 7 o'clock breakfast program, with O. E. "Mose" Palmateer in charge, will be broadcast over KSLM.



241 North Liberty its Portland General Electric Office open Saturday only-

Taman peninsula opposite the Crimea. It was believed the Russians were waiting until the last enemy soldier had been hurled across the Kerch strait before announcing the liberation of the Caucasus.

A tacit acknowledgement that flerce German resistance also had played its part at the Dnieper came in the annoucement that 67 German tanks had been destroyed in Sunday's fighting. That made a two-day Russian bag of 222, and showed that Ger-

man tank reserves were being hurled into battle along the Dnieway in white Russia as the axis fought for time and weather to hold its natural defense line after harrowing retreat carried out steadily over nearly a three-month

period. Fifty three German planes also were shot down for a two-day bag of 95, Moscow said, as airmen of both sides increasingly took over a battle that has bogged down in muddy roads and marshes.

Council Frowns nea.

If the city police committee cares to put its stamp of disapproval on any or all applications for palmistry or fortune telling licenses, it may have the support musn't attempt to "repeal an ordinance on a motion," O'Hara made it clear Monday night and

carried the majority of the city council with him. The police committee's report recommending no more such licenses be granted indefinitely was re-made on O'Hara's motion to a mere recommendation that one

palmist be denied the license she had sought. The city has an ordinance providing for the licensing of palmists and fortune tellers, and if it is to be nullified it should be done in the manner provided for repealing ordinances and not as a matter of one council's pol-

Air Warning Service Eased I (Continued from Page 1) I

area goes on an "alert" status beginning ta 6 p.m., October 16, adquarters for the fourth fighter command in Portland have notified local officials of the service. Observation posts and filter centers will not longer be manned 24 hours a day, but will be subject to call instead.

The AWS definitely is not being abandoned, only certain compan is using the small bosis to ovacuate, its beingured garri-son at Vila and to supply the few holding forces still remaining there. Vila, developed by the Japan

however, the sinkings have been

the work largely of airplanes and

South Pacific headquarters

have expressed belief that Ja-

P-T motor torpedo boats.

ese as an air base in the earlier stages of the Solomons campaign, once was manned by an estimated 10,000 enemy troops, but since with their work. American capture of surrounding Munda, Arundel and Vella Lavella islands, the Japanese post-

tion on Kolombangara has become virtually hopeless. As a result, the Tokyo command is thought to have ordered an evacuation to Choiseul island. on the north, and from there to

Bougainville, the central enemy base in the Solomons. In another attack on the enemy's barge traffic-this one at Sio in the New Guinea theater-

allied light naval units, probably P-T boats, destroyed three more of the craft and, the communique said, inflicted "many casualties among enemy troops on shore." These may have been Japanese forces attempting to escape envelopment after the capture of Finschhafen and the fresh allied ad-

vances along the Ramu valley, which together have placed a squeeze on enemy positions along the northeast coast of New Gui-

The Japanese attempt at escape from Vila was hampered further by an attack by American fourof Alderman David O'Hara but it Liberators heaped new destruction on the often raided Kahili air-

drome. From 30 to 40 enemy interceptors tried to head off the assault, the communique said, but the bombers' fighter escort accepted the challenge and shot down four

of the Japanese planes. One U. S. fighter is missing. The enemy retaliated with two daylight raids by dive-bombers against Vella Lavella on October 1, and an evening attack the same

day against the Munda airfield on New Georgia. American fighter planes and anti-aircraft fire brought down five of the Vella Lavella raiders. At Munda the Japanese succeeded in dropping a number of bombs, but

The Kassel attack was accompanied by a Mosquito raid on Hanover, 80 miles to the north. The fliers in the Kassel raid saw anti-aircraft and searchlight barrages open up both in Hanover and at Cologne, 120 miles to the west, but encountered no fighters until they were nearly through

The raids today were the first by Americans on both Frankfurt - hit many times by the RAF - and St. Disler which is 130 miles northeast of Bordeaux and 350 miles south of the English channel. The St. Disler attack was one of the Fortresses' deepest penetrations into France. The North Sea operation was

the first Liberator raid in this theater since early last month. when Liberators participated in the allies' eight-day cross-channel bombing of a convoy along the Dutch coast and targets in northern France. Since then eighth air force Liberators have raided Wiener Neustadt in Austria as well as Corsica and other Mediterranean targets with the North West African air force.

American fliers on the Frankfurt raid said that "flak was so thick we couldn't see out the plane.

RAF Typhoons, some flown by Belgians, enjoyed one of their best days in sweeps over Belgium. They destroyed three enemy fighters in the air; hit a bomber engined bombers on supply and on the ground, damaged five bargtroop centers in the area, while es, one tug and four locomotives: at Bougainville on the north big fired a fuel tank and shot up two radio towers, a staff car and a gun post.

An air ministry communique said that other Typhoon formations blasted enemy shipping among the Dutch islands, damaging several small vessels. Five RAF Typhoons were missing.

A recapitulation showed that two additional enemy aircraft were destroyed in RAF fighter offensive operations yesterday, bringing the total to 26.

The raids today followed the allies' biggest air week, with blows being directed against the nazis both from Britain and North Africa.

FILSINORE

- Pies

TODAY AND WED.

COMING THURSDAY

SALUTE TO THE

11 2

INITALE DEEN

LAPY LAS -

among electrical installations.

Four cases of car larceny, 11 of other larceny, two sex cases, their homes) and four boy runproblems of the month.

tually was completed with the entry of French forces into Bastia, at the northeastern tip the Mediterranean Island above Rome. Some Germans were reported still fighting at isolated points both north and south of Bastii, but they were being mopped up by French

troops and American rangers. Cicitavecchia, north of Rome was the target of a night attack by RAF and Canadian Wellington bombers. Pilots reported smoke and flame and a series of blue flashes after 4000-pound bombs hit in the railway yards and

Chief Reports on Juvenile Cases

Of the 130 juvenile cases, ranging all the way from curfew violations to sex maladjustments, handled during the month of September by the city police department, 51 involved children outside of Salem, Chief of Police Frank Minto reported Monday night to the city council.

two cases of neglected children, one of drunkenness, one of assault and battery, one involving recovery of a stolen bicycle, 10 girl runaways (nine were returned to aways (with some from an earlier month apprehended and added to bring the total of returns to seven) were in the list of juvenile

LAST TIMES TODAY

Barbara Stanwyck Michael O'Shea in

'Lady of Burlesque"

PLUS -

William "Hopalong" Boyd—in "BORDER PATROL"

STARTS WEDNESDAY

STARRING

Co-Feature -

EART-STARA

WILLIAM HOLDEN

is fast and from !

WITHOUT

X-III

SUSAN HAYWARD EDDIE BRACKEN

The occupation of Corsica virhe North Capitol street brid ed Allderman Dan Fry, who saw over Mill creek are to be redecked. total costs were estimated at in the move an effort to sidestep some of the federal oversight.4 \$1500.

A "deadend" sign was ordered for Tile road west of Warner street.

Purchase of 25 police hats for members of the police reserve, using money out of the defense fund, was authorized.

Natives Learn Leatherneck English

SOMEWHERE IN THE SOUTH PACIFIC, (Delayed)-When US marines landed here, the local school teacher thought it was a wonderful chance for her pupils to improve their spoken English. She sent them to visit the marine camp, with instructions to pay close attention to American speech and manners.

with:

Talk of an "air show" was dis-counted Monday night by army officials here who emphasized that The next morning, a lad of 11 the maneuvers are in the nature strode into English class and greeted the startled schoolmarm of training and not of showmanship, will involve largely

Salem army air field.

"ground" activity and are not to be open to the general public. "Hi-ya, babe. What's cookin'?"

sion.







CAROLE LANDIS

and Turner · Robt, Yound

