

SENATE TAKES FINAL ACTION ON HUGE LEVY

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ly different versions originally passed by the house and senate, the revised measure was okayed by the house yesterday without a record vote after less than an hour's discussion. Senate Majority Leader Barkley (D-Ky.) said it undoubtedly would be given equally prompt approval by the senate.

Imposing the heaviest tax load in the nation's history to help finance the defense program, the bill will virtually triple the taxes of persons in the middle income brackets and will require about 22,000,000 persons to file income tax returns, although not all of them will pay taxes.

In its present form, the bill would raise an estimated \$1,144,800,000 from individual incomes through a system of graduated surtaxes starting at 6 per cent on the first dollar of taxable income and rising to 77 per cent on incomes over \$5,000,000. It would lower personal exemptions from \$2,000 to \$1,500 for married persons and from \$800 to \$750 for single persons and thereby raise about \$303,000,000 in new revenue.

Only about \$47,000,000 of this increase would come from new taxpayers, however, for the lion's share would be paid by persons already taxed.

The normal income tax rate of 4 per cent was left unchanged and the bill would permit the use of an optional, simplified return by persons with gross incomes of \$3,000 or less which would eliminate most of the paper work involved in computing taxes.

ATTRACTIONS FOR INDUSTRY ADVISED

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need for change in the basic taxation system of the state, but there is room for improvement of the governmental structure. Oregon, he said, has expanded its governmental activities as the need arose but without following any plan, with the result that the structure is highly complex when compared with some other states. He cited Washington as a state with a simplified governmental layout.

The speaker spoke of the duplication of activity on the part of a number of state bureaus and commissions. The tax field, he says, offers an excellent field for coordination and modernization.

Eccles discussed the work of the Industrial Development commission appointed at the last session of the legislature, of which he acts as chairman. He said this commission is working along lines indicated in his remarks, but said that "when our report is made, all hell may break loose." The proposed changes, he said, are certain to step on some toes and bring protests. Perhaps, he said, "we may not get by the legislature at all."

The speaker pointed out that the federal government has the "green light" on tax sources. But despite huge federal outlays for emergency purposes, he said, local government must go on and cannot give up many of its functions. The result, he said, must

be that those in charge of local taxation machinery do their work better than ever.

He paid tribute to State Representative Henry Semon of Klamath county, who was in attendance, for the work he has done on the state ways and means committee.

The state convention opened with an address of welcome by Mayor John Houston, and a response by Assessor W. L. Osborne of McMinnville.

Charles H. Mack, Klamath county assessor, presided as president of the state association. Wednesday morning the visitors inspected Mack's ten-year assessment roll system at the court house.

KNOX SAYS CONVOYS EMPLOYED BY U. S.

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many methods that can be used and are being used," the navy secretary told the press conference in reply to questions.

In disclosing for the first time that ships and planes of the Atlantic fleet were escorting cargoes on the north Atlantic, the secretary emphasized that "since the World War many more methods have been developed" for safeguarding shipping on the high seas and said the United States "is employing them all."

Unheralded Power Blackout Rouses Kansas City Ire

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other five men arrested — all striking employees.

"If any deaths have been caused by this the charges should be murder," Anderson said.

A police detail headed by Mayor Gage and Chief Anderson ejected some 25 strikers from the northeast power station. Current poured back through the lines as non-strikers went back to work under police protection.

The police board announced it was swearing in 250 special officers to serve through the emergency.

The AFL building and construction trades council said in a formal resolution the walkout was "without doubt the greatest mistake which union labor could have made," and instructed members of its crafts to ignore the picket lines.

The strike grew out of jurisdictional dispute between the AFL union and the Independent union of utility employees and the company.

Four strikers were seized at the northeast plant while they were attempting to eject another employee. J. A. Keith, station manager, said governor arms had been removed from four of the five massive turbines. They were found later after Keith had set machinists to making new arms. A fifth man was arrested at another plant.

Ten tons of steel burned to waste at the plant of the Union Wire Rope corporation, working exclusively on defense orders because moving machinery was stopped by the power break. The company is producing cables for submarine nets, balloon anchor chains, catapult ropes and mine-carrying ropes.

The huge Lake City ordnance plant, recently completed, resumed operations this morning after a forced shutdown during the blackout. It manufactures small arms for the army.

Big furnaces of molten steel cooled at the Sheffield steel plant, largest industrial user of electricity in the city. Officials said three days would be required to resume normal operations.

UNEXPLAINED BLAST OCCURS AT ANCHORAGE

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tagonism toward Germany they had lost sight of their own interests and were playing into the hands of Russia, Finland's foe.

German Dies

The Swedish newspapers were accused of spreading rumors injurious to the Finnish cause.

Other swift-breaking international developments included:

1. German authorities in Paris, striking to crush a wave of anti-Nazi shootings, announced that executions of hostages in reprisal for attacks on Germans would include not only communists but "all classes of the Paris population."

The announcement followed quickly after the death of a German non-commissioned officer from gun-shot wounds inflicted Monday by an unidentified assailant.

Teheran Surrounded French communists have sworn to kill 10 Germans for every hostage executed by the nazis.

2. British and Russian staff officers entered Teheran, the capital of Iran (Persia), and their mechanized forces surrounded the city in the wake of yesterday's abdication by Reza Shah Pahlavi, the king-dom's ruler.

Smolensk Battle

3. On the Russo-German war front, the Russians reported their red armies in a smashing counter-offensive had hurled the Germans back westward with 10,000 nazis killed and wounded after an eight-day battle 30 miles northeast of Smolensk.

The soviet army newspaper Red Star said the fighting raged around Yartsevo, on the main highway between Smolensk and Moscow.

Other dispatches said the Russians, still pressing the attack, now were in a position to invest Smolensk.

Soviet reports also declared that red army troops defending Leningrad had recaptured a strategically important crossroads village lying at one of the approaches to the northern industrial city, thus wrecking German plans for a new thrust against Leningrad itself.

Lying 230 miles west of Moscow, Smolensk was captured by the Germans more than six weeks ago in the first head-long drive toward the Russian capital.

LEGION TABLES RAP AT AID TO RUSSIA

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debated for more than an hour on a minority report after the convention had approved its foreign relations committee report supporting President Roosevelt's foreign policy.

The national defense committee report as adopted said in part:

Outside U. S.

If fighting is necessary to defend the United States, we insist upon being prepared to do the fighting outside of the United States."

"We want America strong enough to meet any possible attack before it arrives and to turn the enemy back so that our homes remain intact and our families secure," the report said.

The convention delegates a few moments before went on record, also by voice vote, favoring repeal of the American neutrality act and lifting the geographical limitations on use of American troops.

For Chip Steaks, phone 7495.

Auction Brings \$10,128 As Junior Livestock Show Ends

Klamath county boys and girls, who took part as members of Future Farmers of America or 4-H clubbers, bid farewell to the animals which they have carefully tended during the past year as the prime livestock went on the auction block at 1:30 o'clock Tuesday afternoon, bringing to a close the sixth annual Junior Livestock show sponsored by the Klamath Falls Rotary club.

One hundred and five exhibits were shown for sale by the youngsters as beef, lambs, swine and capons went under the hammer of Auctioneer Charles K. Wiese, bringing home a total of \$10,128.24. This was under last year's figure of \$10,879.07, by \$751.83. Much of the decrease was attributed to the growth of the dairy division in which no sales are made, reducing somewhat the beef entries.

Beef sales brought \$7950.71; sheep, \$1389.43; hogs, \$670.28; capons, \$187.28.

Watters Retires

T. B. Watters, retiring from the chairmanship of the Junior Livestock show after six years of active service, expressed his appreciation Tuesday.

"I have enjoyed working with the livestock show for the past six years and especially have I appreciated and enjoyed the friendships I have made with the youngsters of Klamath county," Watters stated. "It is hardly up to me to remark on the success of the show, but I feel the Rotary club has put on a satisfactory exhibition from the community standpoint. Because I am retiring from the chairmanship it doesn't mean I'm off the show committee, because I will take any assignment given to me with the rest of the Rotarians."

Although the capons failed to bring the high prices of last year, nevertheless the plump birds provided fun for the afternoon. State Senator Marshall E. Cornett outbid Al Turner for Arlene Swain's 4-H capon, the legislator finally paying \$11.25 per pound, or \$84.38 all told.

Capons shown by Edward Schultz and Lorraine Stover, 4-Hers, were sold at \$2.25 per pound to Lee Hendricks, druggist. They brought \$34.31.

Buying Heavy

Heaviest buyer of the show was Ted Medford of Safeway Stores, who dropped \$1841.92 into the pockets of 4-Hers and FFA members. Next came Roy Carter of Carter's Market, with a total figure of \$1029.77; third heaviest buyer was Marshall E. Cornett, who paid \$552.03 for livestock offered in the arena.

This is the way the rest of the heavy buying went, each one a consistent supporter of the Junior Livestock show: C. A. Pauley of Pauley Packing company, \$506.25; Al Turner of Turner's Chevrolet company, \$479.50; Louis Serruys of Klamath Billiards, \$455.28; Tommy Thompson of Sears Roebuck, \$442.94; Nelson Reed of Reed Tractor, \$416.82; Andrew Collier of Klamath Ice and Storage, \$415.14; Elmer Balsiger of Balsiger Motor company, \$332.35; Klamath Packing company, through Frank Lowell, \$245.87. Sincere appreciation was expressed by those in charge of the show to the individual buyers who helped the total sales materially.

Sears Roebuck, usually buying in the upper brackets, turned much of its money into the dairy projects offered 4-H boys and girls, this exhibit an outstanding one at the show.

Buyer of Stanley Masten's 4-H grand champion Angus was Safeway, and buyer of Norman

EAGLE SCOUT UP AT HONOR COURT

Bob Edwards, son of Mr. and Mrs. W. L. Edwards of 352 North Ninth street, will be awarded his Eagle Scout pin, zenith of Boy Scout decorations, tonight in a regular monthly court of honor at Fremont school beginning at 7:30.

Edwards, a 1941 graduate at Klamath Union high school, thus will become one of a limited group of Klamath youths to win the award, highest in scouting. He has been a member of troop 6 since its inception in 1936 and last summer was waterfront director at Camp Makunila, Modoc area camp on Crescent lake.

He will enter the University of Oregon next week.

Also present at tonight's court will be W. W. Whidden, deputy regional scout executive from Portland.

Editorials on News

(Continued from Page One) operate on the zone instead of the meter system, and from the treasury - White House - hotels end of Pennsylvania avenue you pay only two bits (20c fare and a traditional tip of a nickel) for taxi transportation to the Capitol end. When two or more people are going, that's cheaper than modern street car fare.

The cab drivers are shirt-sleeved and chatty. They'll tell you anything you need to know, and it's usually accurate.

(HAIR CUTS and shines are among the reasonably-priced merchandise here—hair

Today

— 2:00 - 7:00 - 9:00 —

BROTHERS IN BANDITRY!

The blazing drama of three brothers who shot their way...to law and order!

— 2:00 - 7:00 - 9:00 —

TOO LATE TO CLASSIFY

OIL TO BURN — For Union heating oils phone 8404. Klamath Oil Co., 615 Klamath. 9-18

FOR SALE—New 5-room house, just completed, with venetian blinds and oil furnace, garage in basement, at 1523 Division St. between Union and Radcliff. Inquire at 2347 Union. 9-23

INTERSTATE BUSINESS COLLEGE regular standard courses may be completed in a few months at minimum expense. Day or night classes. Enroll anytime. 432 Main. 9-17

ROOM — Home conveniences, heat. \$3.50 week. 411 No. 3rd. 9-23

BOYS - GIRLS! FREE PETS! Have 2 cute part Persian kittens—free to good homes. Call 7901 after 6 p. m. 9-17

FOR SALE—Damson plums, 4c lb. Inquire 635 N. 9th. Phone 4492. 9-17

cuts four bits and shines a dime.) WASHINGTON, in its general atmosphere, is a Southern city, and it has an immense black population.

It's not at all uncommon to see a taxicab with a white driver

flagged by a gentleman of color and his girl friend, who ride on in state with their chins in the air.

White mustached and goateed colonels from the deep South have acute indignation when witnessing such incidents.

PLAYS TODAY and THURSDAY Matinee Today at 2 P. M. — Evening Shows at 7 and 9 P. M.

Academy Award Winning Picture

COOPER

A New Screen Thrill!

Rage in Heaven

with Jean Arthur Robert Montgomery

25 TOWER

2 HITS **ESQUIRE** Opening Soon

Perfect Suspense... Perfect Excitement... In Ellery Queen's Most Gripping Story...

Ralph Bellamy Margaret Lindsay

ELLERY QUEEN and the PERFECT CRIME

Charles Grapevin - Byington

And here's a tale of SWINDLING SWEETIES... WEALTHY WACKIES... CRAFTY CROOKS!

HUGH HERBERT

'Hello Sucker'

with Tom Brown Peggy Moran

STOP

ALL ROADS LEAD TO

THE ESQUIRE THEATRE AMATEUR NIGHT

EVERY FRIDAY NIGHT AT 9 P. M.

LOOK

BAD MEN OF MISSOURI

with DENNIS MORGAN WAYNE MORRIS ARTHUR KENNEDY JANE WYMAN

3 Stooges in "I'LL NEVER HEIL AGAIN"

Color Cartoon • News Screen Snapshots

ESQUIRE

FRED ASTAIRE TOOK A DARE

...and now he knows which cola tastes best!



See FRED ASTAIRE star in "YOU'LL NEVER GET RICH" A Columbia Picture



1 "I had just finished a fast dance routine in 'You'll Never Get Rich' when I received this challenge: 'Dare you to try all the leading colas in a hidden name test and find the one you really like best.'"

2 "I did and voted for Royal Crown Cola as my taste-test winner." The cola Fred Astaire chose as best-tasting has won certified taste-tests with 50 famous movie stars. Try a big 5¢ bottle or a 6-bottle carton for 25¢ today.

6 BIG BOTTLES 12 FULL GLASSES

25¢

PLUS DEPOSIT

ROYAL CROWN COLA

Best by Taste-Test

LOST RIVER DAIRY

1500 Esplanade Phone 3181

SINCE THE COVERED WAGONS FIRST RUMBLED INTO OREGON...

there's never been a better Kentucky bourbon than

And more and more men are finding that out every day. Have you?

A four-year-old whiskey famous since 1870

HERMITAGE

OLD SCOTCH WHISKY

\$2.10 QUART \$1.10 PINT

It's

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