

## WAIT FDR PLAN ON WAGE LIMIT

Two-Point Anti-Inflation  
Message May Be Sent  
On Wednesday.

WASHINGTON, July 18 (U. P.)—Congressional leaders today expected President Roosevelt to propose next week a two-point anti-inflation program calling for wage controls and subsidy payments designed to keep down the cost of living.

The plan may be submitted Wednesday.

The wage controls, it was indicated, will be patterned after those now in effect in Canada where wages and salaries have been "frozen" but permitted to fluctuate slightly in accordance with undulations in the cost of living.

Congress thus far has indicated opposition to subsidy payments but the system now is in operation on several fronts to meet rising costs growing out of the war.

Rail shipment of coal to New England is subsidized by the government at a cost higher than the normal rate by boat. Plans are about complete for absorbing increased costs of shipping gasoline and other petroleum products to the eastern seaboard by rail. Both moves were made necessary by axis submarine raids off the Atlantic seaboard.

The senate only last week wrote into the \$120,000,000 appropriation for Leon Henderson's office of price administration a prohibition against use of any funds for subsidy payments.

### Bill Sleeps in Committee

Senate and house conferees yesterday agreed to strike out the phrase "direct or indirect" in connection with the subsidy ban but members asserted the deletion would have no practical effect since the appropriation was intended wholly for 1943 administration of OPA.

Late last spring, an attempt was made in the senate to include specific subsidy legislation in a bill increasing the borrowing power of the Reconstruction Finance Corp. But the measure was referred back to committee.

### Tax Bill Vote Monday

One phase of Mr. Roosevelt's original anti-inflation program—the \$6,144,000,000 tax bill—now is being debated in the house with a final vote expected to be taken on Monday.

Chairman Walter F. George (D. Ga.) of the senate finance committee attended a White House conference with Treasury Secretary Henry Morgenthau Jr. and Randolph Paul, tax expert, to map its course through the senate. Senator George said he planned to start hearings next Thursday and hoped to get the huge measure through the senate during the first week of the session.

He said Mr. Roosevelt suggested "in general terms that tax legislation should eliminate special privilege to any group," but did not discuss in detail any provisions of the house bill, which falls short in revenue of the goal of \$8,700,000,000 in new taxes set by the treasury.

### Favors Wage Controls

Senator George said he personally believed wage controls are necessary to meet the inflation threat.

He indicated the senate may revise corporation taxes proposed in the house bill, expressing opposition to the rates proposed.

Corporation income and excess profits taxes account for an estimated \$2,479,400,000 of the total. Senator George did not elaborate on his views.

Senator George is advocate of an "induced savings" plan—for individuals as well as for corporations—which will be considered when the bill reaches the senate. Designed to combat inflation as well as help finance the war, it would permit taxpayers to devote a certain percentage of taxes, possibly as much as 20 per cent, to the purchase of war bonds redeemable in installments after the end of the conflict.

In the fight over Henderson's 1943 funds, agreement between the two houses was temporarily held up by a dispute among the house conference.

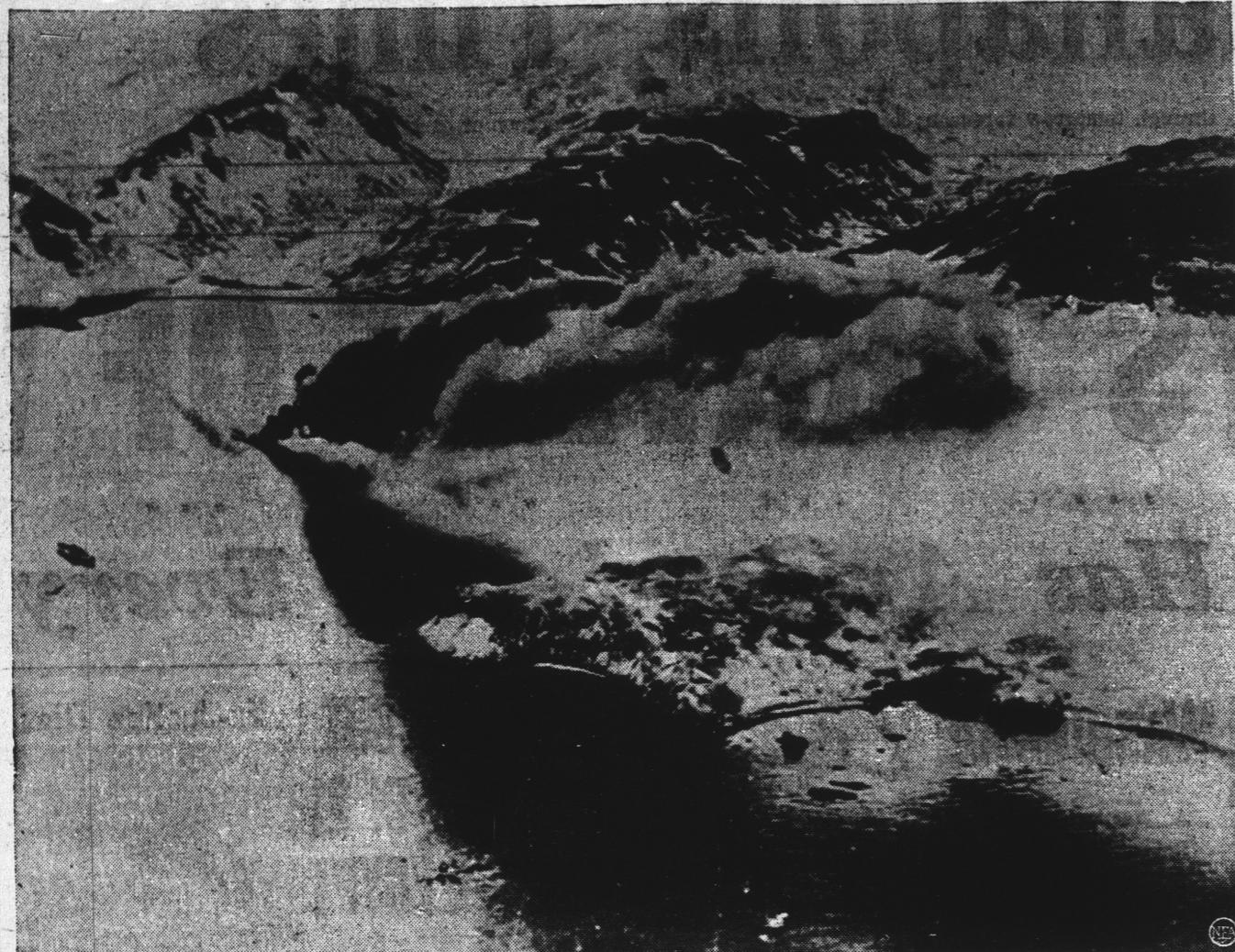
It was learned, however, that settlement on the \$120,000,000 senate figure was likely.

### THIS CURIOUS WORLD



—By William Ferguson

## U. S. Bombers Fire Japanese Transport in Kiska Harbor



Blazing fiercely in the shadow of snow-crusted hills fringing Kiska harbor, a Japanese transport is shown shortly after it was hit by a U. S. army bomber. A navy plane took this picture during a joint raid on enemy positions in the western Aleutian islands.

## SUTHERLAND'S CAREER ENDED

### Conservative Fought New Deal Until Retiring In 1938.

(Continued from Page One)

He was consistently on the conservative side in votes on new deal legislation.

It was Mr. Justice Sutherland who wrote the decisions invalidating the Guffey coal control act and the powers of the securities and exchange commission to interrogate witnesses.

His vote was used to condemn AAA, NRA and the municipal bankruptcy act, railroad pensions and "hot oil" legislation. However, he voted in favor of the Tennessee Valley authority, and old age pensions. He went against the New Deal in the gold cases.

**Pioneers in Utah**

His family came to America when he was 1 year old and became early settlers in Utah, although they were not Mormons. He was educated in law at the University of Michigan. In 1900, five years after Utah became a state, he defeated William H. King for the state's only seat in the house of representatives.

In 1908 he moved up to the senate, where he served until he was defeated in the Wilson landslide of 1916 by Mr. King. He was president of the American Bar association in 1916 and 1917.

He helped to manage the Harding campaign in 1920 for the presidency and the appointment to the supreme court was his reward.

**Funeral in Washington**

The body will be returned to Washington for funeral ceremonies and burial, the date of which will be set later.

Mr. Justice Sutherland's only judicial labors since his retirement were performed when he sat on a special court which heard the appeal of U. S. Circuit Court Judge Martin T. Manton, sentenced to two years in prison in 1939 for selling judicial decisions.

Most of Mr. Sutherland's time and energies in recent years were spent in correspondence with his friends and handling his personal affairs. He had suffered from a heart condition which made it necessary for him to "take life easy," but he had suffered no serious attacks, before the one which caused his death.

## WASHINGTON Calling

A Weekly Sizeup by the Washington Staff of the Scripps-Howard Newspapers

(Continued from Page One)

LEON HENDERSON is up to his ears in another fight. This time it's with army and navy over his orders fixing prices on airplanes, tanks, other things the services buy.

Mr. Henderson has demanded that army, navy contracts be sent to him for review; he's trying this way to keep wages down. Services say he's slowing production.

NOTE: Army and navy have won most of their fights with WPB, haven't yet been brought under effective control by any civilian official.

VICE PRESIDENT WALLACE is under fire because of his free-trade article in a New York newspaper last Sunday discussing the troublesome question of rubber after the war, implying we should not protect synthetic rubber with high tariffs but should go back to buying from Far East.

RAW-MATERIAL SHORTAGES on one end of the production line and shipping shortages on the other are biggest war bottlenecks.

Efforts to bring raw-material production up to armament industries' needs won't succeed much before fall. Meanwhile tens of thousands in war industries are being laid off as production slackens. They move on to other jobs if layout is protracted. It's another headache for war manpower commission, which wants to prevent labor migration.

ONE GUESS on the reason for F. D. R.'s annoyance about stories saying he favors Senator Jim Mead for governor of New York: Things aren't going well in the drive to put Mead over; Jim Farley-John Bennett forces appear to be holding firm (and holding most of the delegates).

CHAIR CARS on luxury trains may go next. Ripping out the chairs, putting in regular seats, would let more soldiers ride. Rail travel is breaking all records despite pleas to civilians to avoid unnecessary trips. It brings travel rationing closer.

THERE'S ANOTHER half-million tons of rubber in them there hills. That's the word some rubber-industry men have given top officials. Drive to get it goes right on, under WPB now instead of oil companies.

ADMINISTRATION WILL find some way soon to let Kentucky voters know it wants Harry Chandler back in the senate for another six years even though he did accept a gift swimming pool from a Louisville contractor.

Signal may be appointment of Chandler as chairman of a subcommittee going to Alaska soon to inspect military installations.

Some of the big power projects already planned won't be built. When WPB stops them it won't mean danger of a power shortage is past; it will mean that WPB still believes scarce raw materials can't be used for projects which won't produce for several years.

THUMBS UP: Bill now pending in congress would amend war damage insurance act to cover property in the Philippines when the islands "have been again brought under control of the United States."

WPB IS GOING to talk it over with wholesalers and retailers before doing anything about inventory control. Meetings have started here, will continue for three weeks. Meanwhile, WPB technicians still work on problem.

COMMERCE DEPARTMENT has special committee studying rubberless wheels for civilian use; another committee, in office of scientific research and development, thinks it has a promising device, is testing it out.

ODT DIRECTOR EASTMAN's explanation of why county fairs have been banned ahead of race tracks and ball games: Preservation of farmer's tires is more important than those of any other group. Also, city sports events can be reached usually by streetcar, bus.

SUNDAY SESSION May Speed  
Saboteur Trial to Its End

WASHINGTON, July 18 (U. P.)—Completion of the Government's case against eight Nazi saboteurs landed on American soil drew near today as evidence was presented against the four who came ashore on a Florida beach.

The secret trial entered its 10th day before President Roosevelt's special military tribunal with indication that it may end sometime next week. Attorney General Francis Biddle, heading the prosecution, said a Sunday session may be held to expedite the proceedings.

All evidence and testimony against the four Nazis who were landed near Amagansett, L. I., has been completed with reading of a "very long statement" presumed to be a confession by George John Dasch, leader of the group.

Dasch spoke more freely than his partners in the grandiose scheme of destruction—a plan nipped by Federal Bureau of Investigation agents—but all eight have confessed to the saboteurs. If the saboteurs are executed, the penalty would be 10 years.

## WAR CRISIS DUE IN NEXT 80 DAYS

Germans Say 'Half-Moon'

Attack Has Reached

Lower Don.

(Continued from Page One)

grad, about 175 miles to the east, and concentrating its strength against the Rostov sector, which was reported being attacked now from three sides—Taganrog on the west, the Voroshilovgrad sector on the northwest and the Don river on the east.

Many Towns Afire

"The retreat of the Soviets south of the Don, especially railroad transports, is crowding tracks and stations and was fought with particular fury," the German communiqué said.

The Russian reports, indicating that the usual scorched earth policy had been applied to the Donets industrial sector as well as Voroshilovgrad, said that many towns were burning and that the Red Army frequently was counter-attacking in order to permit an orderly withdrawal, presumably to the Don river line.

Defense Is Difficult

The Don river is the last important natural barrier across the flat countryside of the northern Caucasus but at this time of year it is shallow and may provide a difficult line to defend. The German forces probably will attempt to clear out the entire big bend of the Don river, stretching eastward to within 35 miles of Stalingrad and to take Rostov before attempting any deep push into the Caucasus.

A possibility remained that the Russian counter-attacks in the Voroshilov sector might cut into the axis flank if Soviet Marshal Semion Timoshenko can mass sufficient strength there after one of the most exhausting battles of the war. But from the German point of view, Voronezh is important at present only for defense purposes—to protect their left flank.

If they can fight a holding battle or even prevent a big-scale Russian break through, their main push to the south and southeast will be protected.

EX-OFFICER CLAIMS  
CARRIERS OVERRATED

WASHINGTON, July 18 (U. P.)—Col. Hugh J. Knerr, former chief of staff of the headquarters air force, charged in the August issue of the American Mercury today that "desk admirals" are hampering air power by presenting a false picture of naval activity and advocating further building of aircraft carriers.

Calling for more emphasis on long-based bombers such as the flying fortress, which he helped develop, Knerr said carriers soon will be as useless to us as battleships are today.

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## MORE ALLIED SHIPS ARE SUNK

Toll in Western Atlantic

Reaches 403; Jap Sub

Sinks U. S. Vessel.

BY UNITED PRESS

The sinking of six more United Nations' merchant ships, four of them in the western Atlantic, has been revealed, bringing the unofficial total to 403 since the middle of January.

The navy today announced the sinking of two merchant ships, one in the Bay of Bengal and one in the Atlantic.

The Bay of Bengal sinking involved a medium-sized United States merchant ship. The ship was bombed by enemy aircraft and shelled by an enemy cruiser on April 6. Survivors have been landed at a United States port.

Shelled by Submarine

The second ship, a small British merchant vessel, was torpedoed and shelled by an enemy submarine in the Atlantic several weeks ago. Survivors have been landed at an east coast port.

Survivors of the British merchantman reported that the submarine which attacked them apparently was a new Italian vessel commanded by a German officer.

Additionally, the navy announced yesterday the sinking of an American vessel in the Indian ocean, supposedly by a Japanese submarine. Two passengers and 38 members of the crew reached an east coast port. A medium-sized American ship was sunk in the Caribbean on June 15. Survivors said their ship was among three sunk between June 14 and 15.

Five men were lost from the first boat and 36 survivors in lifeboats were joined three hours later by 17 survivors in a lifeboat from the second vessel. Both groups of survivors were picked up by a third ship, which soon was torpedoed and sunk.

The navy previously had announced the sinking of the third vessel, but not the sinking of the second, because the 17 survivors have not reached a United States port.

Dutch Ship Sunk

The other two sinkings announced by the navy yesterday were of a small Dutch ship, torpedoed in the Caribbean several weeks ago, with two of the crew dead, and a medium-sized British ship sunk in South Atlantic waters by torpedo and shellfire on June 25. Three men lost their lives.

A dispatch from Lourenco Marques, Portuguese East Africa, said the Portuguese ship Angola had arrived with 84 survivors from three merchant vessels—the Hellenic Trader, Hartismere and Nymph.

The Hellenic Trader was a 2050-ton Greek vessel, and the Nymph a 450-ton Greek ship.

**VANGELISM SCHOOL  
S SPONSORED HERE**

A school of evangelism for ministers and laymen will be held here Nov. 29 through Dec. 2 under the sponsorship of the Church federation.

The school will be the first of its kind to be sponsored on an interdenominational basis. The executive committee of the federation authorized the committee on evangelism and religion work to promote the event. Dr. C. A. McPhee is chairman of the committee.

The federation also announced that the international justice and goodwill committee is working with the board of education of the denominations and the Federal council in promoting study and conferences in the interest of securing a just and durable peace.

The third annual planning conference for the federation will be held in September and will have as its purpose the discussion of the year's activities.

**SCHEDULE CARD PARTY**

The B-Natural Music club will hold a card party at 8:15 p. m. Monday at the Food Craft shop, the proceeds to be spent for presents for men in service. Mrs. Elsie Manning will be in charge.

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and Monday  
for News of**

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