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Final

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8TH & 5TH ARMIES SURGE FORWARD

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MORGENTHAU PRESENTS TAX PROGRAM

Would Give More Than 10 Billions More Money

Big Slice From Incomes

WASHINGTON— (AP) — The Administration recommended $10,500,000,000 in additional taxes to Congress today and designated the individual income taxpayer to supply $6,500,000,000 of that big sum annually.

In a program designed to push yearly Federal revenues nearly to $50,000,000,000, Secretary Morgenthau asked too for big increases in corporation, estate, gift and excise taxes.

SECURITY SUGGESTION

The Treasury head also left with Congress a suggestion for broadening the social security that might mean $5,300,000,000 more in employer and employee taxes—but he emphasized that if such payroll taxes are increased, his recommended income tax rates should be lowered.

For the individual, Morgenthau's $10,500,000,000 tax program meant:

1. Repeal of the 5 per cent Victory Tax, which would eliminate about 9,000,000 persons from income tax payments; repeal the 10 per cent earned income credit.

2. Reduce exemptions for married persons and heads of families from $1,200 to $1,100; lower the dependents' credit from $350 to $300; leave the single person exemption at $500.

3. Leave the normal income tax rate at 6 per cent but increase surtaxes throughout the scale, beginning with a jump from 13 to 21 per cent on the first taxable dollar and reached 90 per cent on amounts exceeding $100,000, as compared with the 79 per cent now applicable at that level.

4. Extend application of the withholding tax, now at 20 per cent of the taxable portion of wages and salaries, on a graduated scale so as to collect substantially the full liability in the higher salary and wage brackets.

5. A post war credit to apply primarily at the lower levels of income. One suggestion is to refund $2,270,000,000; another to refund $3,510,000,000.

Morgenthau and Randolph Paul, Treasury counsel outlined the tax program bearing Mr. Roosevelt's approval to the House Ways and Means Committee.

One Treasury representative told newspaper men that, if Congress accepts the Administration recommendation, the withholding tax might amount to around 7 per cent of gross income for a person with a $1,500 wage or salary, 12 per cent for the man making $2,000, 28 per cent for a $5,000 wage or salary.

Roughly, under Morgenthau's recommendation, the wage and salary earner could estimate the effect of the new withholding tax by estimating his total income tax at the revised rates and divide this by the number of paychecks or salary envelopes he receives yearly. The sum resulting would be approximately the amount to be deducted from each check or pay envelope.

OTHER PLANS

Morgenthau's other recommendations included:

1. Corporation income — in-

See MORGENTHAU on page 6

NAPLES FOLK USE SEWER WATER—Because the city's water supply system was so thoroughly destroyed by the Nazis before they abandoned Naples, the residents were reduced to dredging sewers to obtain water, as this wounded and ragged woman is doing. This is one of the first pictures from Naples since the city fell to the Allies. (AP wirephoto via Signal Corps radiophoto.)

Senators In Favor Of Collaboration

Poll Shows Majority of Chamber Support Foreign Commitments

By JACK BELL

WASHINGTON —(AP)— A majority of the Senate favors international collaboration after the war, but there are so many different viewpoints that any foreign policy declaration now almost certainly would have to be vague and general in its commitments.

That was the interpretation placed by veteran observers today on the results of an Associated Press poll in which 89 Senators were asked if they would support the House-approved Fulbright peace resolution if it came to a vote in its present form.

Of the 89, a total of 42 said they favored the principle of the measure, which would record Congress as favoring American participation through constitutional processes in "appropriate international machinery with power adequate to establish and maintain a just and lasting peace among the nations of the world."

Eleven Senators opposed the measure in its present form, 36 declined to commit themselves and seven were not reached.

Among the 36 who declined to state "yes" or "no" views were at least ten who publicly have said they favor some form of international collaboration. If these were added to the 42 who gave qualified or full endorsement of the Fulbright measure, the 52 total would be three more than a majority.

Included in the group who would not commit themselves were Chairman Connally, Democrat, Texas, of the Senate Foreign Relations Committee, and Senators Vandenberg, Republican, Michigan, and White, Republican, Maine, who have drafted their own foreign policy declarations.

Others who have expressed publicly a desire for international post - war co - operation include Democratic Leader Barkley, Ken-

See SOLONS FAVOR on page 6

AFL Chief Keynoter

Green Talks as Convention Opens

BOSTON—(AP) — Keynoting the 63rd annual convention of the American Federation of Labor, President William Green told applauding delegates today that the United States must abandon isolationism forever and join the world family of nations.

"The war," declared Green, "has taught us that America cannot isolate herself from the rest of the world. We know that our peaceful intentions are not enough. America must join with other nations of good will to preserve peace throughout the civilized world."

The declaration evoked resounding applause from the hotel ballroom packed by nearly 600 delegates and as many more visiting spectators.

"That is why," said the AFL president, "labor demands a place at the peace table to see to it that the will of the people is not thwarted by professional and international diplomats."

Discussing post war domestic problems, Green said organized labor was prepared to assist expan-

See AFL CHIEF on page 6

Final Nazi Foothold In Caucasus Threatened

Driven Back By Soviet Forces

LONDON — (AP) — German troops were threatened with loss of their last tenuous toehold in the Caucasus today as the Red Army drove them back from Staro-Tamanskaya on the Taman Peninsula, while on the upper Dnieper River the Nazis fought furiously to block a Russian flanking movement aimed at Mogilev.

The announcement of the fall of Staro-Tamanskaya was made by the Berlin radio, and the full extent of the German collapse in the Caucasus was indicated in a Russian communique last night which told of the sinking of a number of troop-laden ships which apparently were attempting to evacuate the remnants of the shattered German Army across the narrow Kerch Strait to the Crimea.

On the central front, Moscow said, more than 2,000 Nazis were killed as the Russians stormed across the Proya River, 28 miles east of Mogilev, to occupy 78 villages in a maneuver which threatened to turn the German flank in that sector.

The Soviet ground forces were supported by Red Army airmen, who pounded both Mogilev and Orsha, an important junction town 50 miles to the north.

BOOTY CAPTURED

The Russians said that large quantities of supplies and Nazi artillery pieces were captured, as well as considerable material which had been taken from Russians in that area.

South of Mogilev the Russian columns advancing on Gomel found their assaults slowed up by the Germans, who launched numerous counter-attacks all of which the Russian communique said were repulsed with German losses of more than 1,200. The Russians advanced from three to five miles and captured twenty villages.

The Russians were apparently stalled at the Dnieper River barrier in the vicinity of Kiev and Dnepropetrovsk to the south, and the Soviet communique told only of reconnaissance and heavy artillery fire.

It was apparent that the Russians were preparing a major effort to hurl the Germans out of the Caucasus and trap, if possible, the remaining Nazi forces concentrated in the Crimea.

In addition to raids on German shipping in the Kerch Strait the Moscow radio said that Moscow airmen blasted Dzhankoi junction in the heart of Crimea, causing 25 explosions in German freight trains. The station is on the line running northwest of Kherson, the only escape route remaining open to the Nazis. The railway line cutting diagonally across the Crimean Peninsula from Sevastopol to Melitopol on the Russian mainland already is under fire of Russian artillery, with forces moving on Melitopol.

Berlin Says Allied Convoy Struck Hard By Japanese

NEW YORK — (AP)—The Berlin radio said today that five Allied transports, a cruiser and ten planes were destroyed Friday during a Japanese aerial attack on a convoy off Vella Lavella in the Central Solomons Islands. There was no Allied confirmation of such losses.

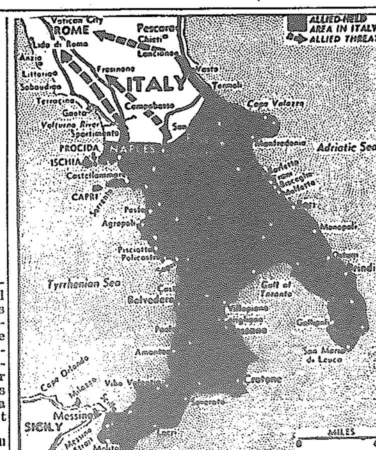
The broadcast added that planes from the Japanese naval air force "repeatedly attacked" the Allied convoy, which it said was protected by 45 fighters.

The Japanese admitted loss of five of their planes.

Deny Report Former French Head Is Dead

BERN, Switzerland—(AP)—A Vichy dispatch to the Gazette de Lausanne said today that Edouard Herriot, former President of the French Republic, was at a clinic at Nancy where his health is improving.

This dispatch contradicted recent reports that Herriot was dead.



ITALY AFTER MONTH OF INVASION—A month after the invasion of Italy the Allies have seized the key cities of Naples and Foggia and advanced up the boot two-thirds of the way to Rome. Solid black denotes Allied-held area and broken arrows point out possible routes which may be taken as the campaign continues.

Allies Command Huon Peninsula

Japs On New Guinea Squeezed Between Mountains and Sea

By C. YATES McDANIEL

ALLIED HEADQUARTERS IN THE SOUTHWEST PACIFIC —(AP)— Their last important coastal supply base gone and their land flank beset by a column of Australian troops, the Japanese on New Guinea's Huon peninsula today were squeezed between the mountains and the sea.

The enemy's position, Gen. Douglas MacArthur said in a communique, was futile if not untenable, and the Allies had every reason to believe the entire northeastern New Guinea shoreline as far as Madang was within grasp.

Finschhafen, the major enemy anchorage and air station on the eastern coast of the Huon Peninsula, fell Saturday to Australian's famed Ninth Division, battle-hardened veterans of Tobruk and El Alamein.

CONTROL GULF

That in itself assured the Allies final control of the Huon Gulf, on which Lae and Salamaua are situated.

But through a simultaneous air and ground advance, pressed persistently up the Markham River from Lae and over the mountains of interior New Guinea to the Ramu River valley on the northwest, the Allies have achieved dominance of the entire peninsula as well.

"The speed of this double envelopment caught the enemy completely by surprise and has resulted not only in the dislocation of his grip on British New Guinea but has caused him large losses with no compensating damage inflicted on our own forces," Gen. McArthur declared triumphantly.

"It has outflanked and contained all enemy centers be-

See HUON AREA on page 6

Germans In Aegean Move

Secure Points In Fighting With British

CAIRO—(AP)—The Germans landed in strength on the island of Coo in the Italian Dodecanese and secured several important points in fighting with the British garrison, the Middle East Command announced today.

"The fighting continues," said the communique.

The enemy's boats off Coo were attacked from the air all day yesterday, however, and many hits were scored, with Beaufighters, Baltimores and Hudsons all joining in the fierce assault.

Four-engined Liberator and Halifax bombers of the RAF also entered the fray by attacking airfields at Calato on Rhodes Island Saturday night in an effort to upset the enemy's plans for air operations over Coo. Similar bombings were carried out last night against Heraklion airfield in Crete, another air-support base for the enemy's operations.

Two German dive-bombers were shot down over Coo, while the British lost six planes.

British Clinch Positions In Adriatic Area

American Troops Move On Toward Rome From Captured Benevento

By NOLAND NORGAARD

ALLIED HEADQUARTERS, ALGIERS —(AP) — The British Eighth Army, with the support of Allied Naval forces which penetrated the Adriatic, have landed and clinched positions at Termoli, on the Adriatic coast almost midway between the Italian heel and the mouth of the river Po in northern Italy, official frontline dispatches announced today.

Simultaneously, United States troops of Lt. Gen. Mark W. Clark's Fifth Army, have surged forward from Benevento in their march on Rome from Naples and have captured an important crossing of the Calore River, thereby threatening to turn the flank of any water defense line which the Germans may attempt to hold alon gthe Volturno River.

Gen. Sir Bernard L. Montgomery's advance up the Adriatic coast—along the historic path of conquerors toward the Emilian Way, which leads to the Po Valley—likewise threatened to turn the defenses of German Marshals Rommel and Kesselring which may be centered about Rome and the Appennines.

LEAPFROG TACTIC

His march was advanced greatly by the leapfrog tactics of amphibious landing forces which seized Termoli by surprise, beat off German counter attacks, took an undisclosed number of prisoners well behind the enemy's rear and then made a junction with the main body of the Eighth Army which continued to pound up the coast.

Once again the Allied forces resorted to the leapfrog practice that first proved successful in Sicily, particularly along the northern coast.

Termoli is 50 miles north of Foggia, the airbase city, and approximately seventeen miles north of Gen. Montgomery's previous position at the mouth of the Fortore River just north of the "spur" of the Italian boot.

Termoli is a small seaport with 5,000 or 6,000 inhabitants and is some ten miles behind the mountainous ground which breaks in to the coast to ring the Foggia Plain. It is about 215 miles up the coast from Otranto on the Italian heel and 190 miles south of Rimini where the Po plains begin.

FORCE WITHDRAWAL

Already there was evidence that the crossing of the Calore by the Americans was forcing the Germans to withdraw from the Volturno line where they might have hoped to halt their retreat.

The Calore, which the Americans reached with the capture of Benevento, flows into the Volturno which turns northward at Amorosi, 26 miles northeast of Naples.

Immediately north of Naples, Fifth Army patrols with strong British armor support, stabbed relentlessly at the retreating Germans and found enemy resistance stiffening, apparently because the Germans were intent upon slowing down Clark's advance long enough to withdraw heavy equipment and supplies across the Volturno.

The Fifth Army's march also was impeded greatly by German demolition parties which were

See ALLIES GAIN on page 6

Allies Win On Corsica

French Enter Bastia, At Island Tip

ALLIED HEADQUARTERS, Algiers — (AP) — The final collapse of German resistance in Corsica was marked today by the entry of French forces into Bastia.

Moroccan Goums of the French forces were the first to enter the city at the northeastern tip of the Mediterranean island which now becomes a threat to the German forces on the Italian mainland above Rome.

SOME NAZIS LEFT

Remnants of German forces were still scattered on beaches at isolated points both north and south of Bastia. But these were being pressed by French troops and American Rangers.

Motorized and shock detachments yesterday mopped up the whole western coast and northern part of Cap Corse as far as Luri, which had previously been taken.

Borgo, the site of an airfield ten miles south of Bastia, Vescovato and Casamozza, farther south on the east coast, also were taken and Moroccans wiped out a pocket of fierce resistance at Furiani in the central sector.

Troops looking down from hill positions saw French artillery blowing up ships and munitions at the docks and beaches where the Germans were trying to get away.

Lewis Explains Motor Journey

RICHMOND, Va. — (AP) — The Richmond District Office of Price Administration announced today that John L. Lewis' questioned motor trip to Springfield, Ill., to visit his mother had been explained satisfactorily by Lewis and that there was no misuse of gasoline involved.

"The investigation is ended," said Chief Attorney Herbert T. Williams in disclosing that the United Mine Workers chieftain had explained the matter in a letter to his home board at Alexandria, Va.

Lewis trip last August was investigated after a number of complaints had been received by the Alexandria board accusing him of violating the pleasure driving ban.

Frenchmen Shot

LONDON — (AP) — The German-controlled Paris radio announced today that 50 French "terrorists" recently arrested, had been shot Saturday "owing to a recrudescence of assassination and sabotage acts."

Fortresses Sweep Into Germany And Attack Targets At Frankfort

LONDON —(AP)—American Flying Fortresses, supported by long-range Thunderbolts, swept into Germany today and attacked targets in Frankfort, which is 91 miles southwest of Kassel where RAF heavy bombers struck last night, it was announced today.

The Air Ministry also said that British Mosquitos bombed Hannover and targets in the Rhineland last night. Other bombers laid mines in enemy waters.

HEAVY DAMAGE

A British communique described the Kassel attack as "very heavy" and said preliminary reports indicated "that heavy damage was done to this important industrial target." The weather was described as excellent.

Frankfort, with a population of more than half a million, is a big inland port on the main river, a railway center, and the site of large oil refineries, chemical plants, and other war factories.

It was the 37th raid of the war on that city. It has been untouched by air assault, however, since last December.

Today's daylight raid by the big American bombers and their long-range escorts was the first precision attack of the war on Frankfort.

The Kassel raid was the fourth big blow in six months on that manufacturing center for Messerschmitt fighter planes and other war machines.

The twin blows followed the now-familiar Allied strategy of splitting the German defenses, as the cities lie less than 100 miles apart. One east of the Ruhr and the other southeast.

While the RAF's heavy bombers were delivering last night's major raid, light Mosquitos dropped loads of explosives on Hannover, only 160 miles west of Berlin, in the second heavy blow at that industrial city in six days. It was last raided in force by the RAF on Sept. 27.

Other Mosquitos hit at the Rhineland in the widespread operations that kept most of western and southwestern Germany alerted for hours during the night.

Three enemy patrol boats in the Bordeaux area were damaged, mines were scattered through enemy shipping lanes and a JU-88 was shot down by still other Mosquitos ranging the French channel coast.

Queens Die Proudly

By William L. White

Chapter 2

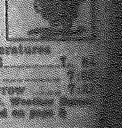
"So maybe for me this story begins when I got to where Tex was lying, and sat down by him to talk it over, lifting his curly head with one hand and patting his hairy back with the other. It was stiff soft and warm. It wasn't a body yet. It was Tex himself at the end of that sprawling line. I told him I didn't know why this had happened any more than he did. But they could trust me to find out, so it would never happen again. But regardless of that, he must understand this wasn't the end. We weren't licked; it was only the beginning and from now on we would get to work, all of us, and win. I told him that whatever plane they gave me later, Old 99 would be flying right in the formation, and on night missions I would always see Old 99's wing lights beside me, and know that she was protecting me with her crossfire, knocking down Zeros that tried to climb onto my tail. Yes, maybe that's where the story begins.

"The 19th Bombardment Group consisted of thirty-five beautiful shiny new Flying Fortresses, of which Old 99 was one—we had picked her up at the Boeing factory just before she came off the line. Of the Fortress series, they were D models — then the latest and finest in the business. About a dozen of our thirty-five were down at Del Monte Field on the southern island of Mindanao. The rest were at the main bomber base, Clark Field, about forty-miles from Manila, which was the headquarters of General MacArthur, Commander in Chief. Our immediate Air Corps commander, General Brerton, was constantly visiting us.

"On November 27 General Brerton put us on the alert. He had

See QUEENS DIE on page 4B

WEATHER



Slightly cooler tonight and Tuesday

Today's Temperatures
2:30 P. M., 66
Sunset Today
Sunrise Tomorrow
Additional U. S. Weather Bureau data will be found on page 6