Timing Is Aid in War of Nerves

German Reports of Sinking of Ships Meant to Instill Terror

By KIRKE L. SIMPSON
(Associated Press Staff Writer)

The timing of new German statements that staggering cargo tonnage losses have been inflicted on Britain may be more significant than the figures themselves.

Whether in preparation for invasion of England or for some other stroke, Berlin is pressing its war-of-nerves against the British more actively than the war of bombs. Nazi boasts that 5,000,000 tons of shipping usable to Britain have been sunk since the outbreak of the war, 679,000 tons in the last three weeks alone, may be a part of that "war-of-nerves."

Whatever the truth, the German figures are so fantastically out of step with the London admiralty's recapitulations that Berlin itself seeks to explain the discrepancy by charging that the British are concealing certain of their losses.

As an element of the war-of-nerves aspect of the battle, the German claims could be considered good strategy. They could give sea-minded Britons, utterly dependent on shipping for the means of life, something to think about if they believed the Berlin reports and not the admiralty's figures.

Moves Synchronized

Whatever the German motive, these statements about an increasingly successful counter-blockade of England synchronize with other moves designed to stir terror in England. Revival of the "secret weapon" bogey by a high-ranking German air officer can be noted. A special showing of nazi dive bomber technique, put on for neutral pressmen, with all the siren attachment frills going full blast to impress them, is another item.

The nazis' action in taking correspondents on sight-seeing flights along the English channel presumably was intended to prove that British shipping, naval and merchant, had been driven from those narrow seas. However, since the newsmen duly reported that the flights were confined to the continental side of the channel, 30 miles or so from the English coastline at the nearest point of approach, the result is not highly convincing.

There is another angle to the German claims of having stepped up tremendously the rate of cargo ship destruction. If the figures are anywhere near accurate and not, as the British admiralty insists, an "absurd" exaggeration, there would seem to be no military reason for attempting invasion of England at all. Germany would be on the way to winning the war by counter-blockade.

Possibly the report in London of John Cudahy, American ambassador to Belgium, on the impending famine situation in the nazi-conquered country furnishes a clue to Berlin's real concern. The same condition would seem likely in Norway, Denmark, Holland and France.

It can be argued, then, that even if Germany has full confidence of winning the war in the long run by ruining British shipping, conditions on the continent may impel her to speed up her victory drive.

Meanwhile, it is highly doubtful that the conditions Cudahy pictured will lead to any abatement of the British blockade that would aid Germany or relieve her of responsibility for the care of the peoples she has mastered. That blockade is Britain's main hope of winning the war in the end.

First TVA Labor Contract Signed

KNOXVILLE, Tenn., Aug. 6—(AP)—TVA Director David E. Lilienthal announced today the first signed labor contract between the authority and its 8000 employes in the building construction and metal trades, represented by the Tennessee valley trades and labor council (AFL).

He described the agreement, effective for one year, as "charting the way toward welding together groups which are dependent upon each other in a terrific industrial program," and added it would intensify "labor-management cooperation in the national defense program of TVA. I consider this agreement more valuable than any of our dams."

Bonney Clan Meet Set for Champoeg

The historic Bonney clan, which started the custom in Oregon of holding annual reunions, around a quarter of a century ago, will have its 1940 gathering Sunday, August 11, this time at Champoeg state park. If all entitled to the honor of membership in this clan, now residents of Oregon, Washington and California, should attend, it would make the largest gathering of the kind ever held on the historic grounds where in early days bateaux and canoes met brigades and where cargoes of grain and other products of field and forest were taken for shipment down the Willamette, up the Columbia and out to sea.

Young Linn Mill Man Hurt Fatally

FOX VALLEY, Aug. 6—Raymond Griese of Sublimity was fatally injured Monday morning while working at the Linn Lumber company mill. He was rushed to a Salem hospital where he died during the night.

Young Griese was the only son of Mr. and Mrs. John Griese of Sublimity.

Flag as Danger Signal Costs Users $25 Each

SEASIDE, Aug. 6.—(AP)—Use of an American flag as a "danger" signal on the rear of a truck cost two Seaside men $25 each. The fines were paid by Otto Achord, contractor, and George E. Elley, driver.

Six States Pour Troops into NW

Off to mock wars is this truckload of troopers en route to Camp Lewis, Wash., from the San Francisco bay area, where with national guardsmen from six other western states they will lay down civilian tools while being trained with tools for US defense. Seventy special trains carried troops to the northwest, where extensive war games are scheduled for August 14-17.—IIN photo.

G-Men Placed on 24-Hour Schedule

Wire-Tapping to Suppress 5th Column Activities Favored in House

WASHINGTON, Aug. 6—(AP)—Pressing its investigation of "fifth column" suspects, the federal bureau of investigation put all its field offices on a 24-hour schedule today, while the house passed a bill permitting wire tapping by the FBI in investigations of sabotage, treason and espionage.

The interstate commission on crime, meanwhile, called for an investigation of what it termed the "nazi-fascist' use of attaches of legations and consulates for subversive propaganda and other fifth column activities in the United States." The commission was organized in 1932 to work for enactment of uniform crime legislation.

The commission, reporting to the conference of state officials on federal and state cooperation, called attention to "the surprising increase" in the personnel of the consulate and declared "espionage and sabotage are to be expected from nazi-fascist consulates and business firms."

Ogpu Activity Feared

J. Edgar Hoover, director of the FBI, said the new around-the-clock schedule for his field offices was arranged "in order to expeditiously handle all matters that might arise in connection with national defense." Until recently only the Washington office was open day and night.

The legislation on wire-tapping, which the house passed and sent to the senate, was called "a legislative Stalin monstrosity" by Rep. Schafer (R-Wis). He said the measure would permit FBI agents to "enter every home with a telephone."

The legislation would require specific authorization by the attorney general before wires would be tapped. Any evidence obtained other than that sought under the proposed law, would be barred from the courts.

Displays Placard Seeking Soldiers For Washington

BAKER, Ore., Aug. 6—(AP)—Lee Wright, Baker, displayed a placard invitation to join the army today — but the army was that of General George Washington.

He found the placard hanging in an old barn on the farm of his brother, Charles Wright, north of here.

The placard was addressed "to all brave, healthy able bodies and well disposed young men in this neighborhood who have any inclination to join the troops now raising under General George Washington for the defense of the United States against the hostile designs of foreign enemies."

Pay of $60 a year was promised in gold. The appeal closed with the words, "God save the United States."

Employes at Baker Seek Raise, Shop

BAKER, Ore., Aug. 6—(AP)—Two hundred employes of the Stoddard Lumber company struck today for a ten-cent an hour wage increase and an AFL union shop agreement.

Company officials said they had agreed to a blanket increase of 2½ cents an hour but had balked at the union shop agreement.

Mary Pickford to Re-Edit Old Films, War Benefit

HOLLWOOD, Aug. 6—(AP)—Mary Pickford said tonight she plans to assist the Canadian government in raising war relief funds and that her first venture in that direction will be to re-edit all her old films and combine the highlights into a cavalcade with a modern prologue.

Willkie Promises "No Taking Away"

Farm Program to Stay if not Bettered; Will See Landon, Hoover

COLORADO SPRINGS, Col., Aug. 6—(AP)—Wendell L. Willkie gave the nation's farmers today his pledge that "if elected president, I will not take away any of the benefits gained by agriculture in the past few years."

The republican presidential nominee made his farm statement at Des Moines, Iowa, shortly before flying back to his vacation retreat here after a conference with midwest republican governors and farm leaders.

"I do not favor changing the present farm program unless a better one gradually is evolved," Willkie declared.

At the nominee's headquarters here, where Willkie will complete the farm section of his formal acceptance address, it was announced that he would talk both with former President Herbert Hoover and Alf M. Landon before going to Elwood, Ind., for the acceptance ceremony August 17.

It was learned that Willkie plans to see Landon, the 1936 republican presidential nominee, here early next week. Landon was expected to discuss with Willkie his views regarding farm, foreign policy and other important issues of the campaign.

The Willkie-Hoover conversation was expected to take place somewhere in Montana—perhaps at a private lodge. There was no definite word, however, as to when or where the two would meet.

It frequently has been reported here that Willkie would talk with Hoover and Landon but tonight's was the first word that the nominee positively would see the two before going east.

US Leases Land For Grazing Use

WASHINGTON, Aug. 6.—(AP)—A lease giving the United States title to 125,000 acres of Lake county, Ore., tax delinquent grazing lands for one year was signed today by Secretary Ickes.

The lands will be incorporated into the conservation program of the grazing service under the basin grazing district of south-central Oregon.

Under the lease plan, stockmen will pay the government established grazing fees of 5 cents per animal unit month. The county will be paid its proportionate share of the fees collected, the amount to be determined by the ratio that county lands bear to the total acreage of public lands in the grazing district.

In Money Post

Lindsay C. Warren

Representative Lindsay C. Warren (D.) of North Carolina has been named by President Roosevelt to the post of comptroller general of the United States, succeeding Senator Fred H. Brown of New Hampshire.

"Slacker, Rat" Phrases Heard

Minton and Holt Quarrel in Senate; GOP Held Playing Politics

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ward with their defense programs on that basis.

During the day Secretary of State Hull issued a statement, promptly and generally construed as an endorsement of conscription, in which he said that arming to the limit was the only sure way of avoiding an attack on this hemisphere. Consequently, he said, "each citizen must be ready and willing for real sacrifice of time and of substance, and for hard personal service."

The senate had the national guard mobilization bill before it throughout the day, but spent most of its time discussing the application of the Hatch act to the present presidential campaign, and listening to the Minton-Holt clash. At the close of the day, however, Senator Barkley of Kentucky, the majority floor leader, obtained an agreement limiting debate, through which he hoped a final vote could be had tomorrow.

Says Harvard Club Is Source of Plan

Holt, opposing the conscription legislation—under which men from 21 to 30, inclusive, would be subject to compulsory military training—said the bill originated at a series of meetings at the Harvard club in New York, and that those behind it were willing to draft boys but not wealth.

"The alien doctrine of conscription came from foreign shores and was incubated in the banks and law firms of Wall street," he shouted.

The galleries burst into a loud demonstration of approval, which Senator Russell (D-Ga), presiding, quieted only with difficulty.

"I'm getting weary of being lectured on patriotism by the senator from West Virginia," he said, clenched fist waving in the air. "I'm getting impatient with being lectured by a slacker family."

He directly charged that while he himself was with the army in France, Holt's father was urging that no food be grown to be sent to the soldiers there, and that Holt's father sent a son "to hide away in South America from the draft."

Minton referred to a brother of Holt's. The senator, who is 35, was too young to serve. Holt, his face white, arose to protest.

Family Served in All Wars, Asserts

"I just want to say," he interposed," that as soon as the senator concludes, I will answer his malicious lies."

Minton went on to advocate the draft bill, because of what he considered the international emergency.

"I want to say this," said Holt, "that there never has been a time in recent history when the administration wanted some dirty, filthy, low job done that they could not get the senator from Indiana to do it."

Holt went on to deny Minton's accusations. He would produce the military record of the Holt family, he said, adding that it included service in every war in which the United States has participated.

Storm Refugees Flee Gulf Coast

(Continued from Page 1)

western Louisiana, where the Acadian maid of poetic fame lies buried, was lashed by the gale which caused extensive crop damage in that sugar, rice and truck-growing section.

New Orleans, where high winds before dawn uprooted trees and littered streets with signboards, was partially marooned tonight with all airplanes grounded, railroad service eastward halted by flooded tracks, and several highways inundated.

Lutherans Delay Decision on Union

CHICAGO, Aug. 6.—(AP)—The Lutheran synodical conference decided today to defer final action on proposed union with other large Lutheran bodies and to continue, instead, discussions toward that end.

Resolutions adopted at closing sessions of the conference's 37th biennial convention held that various phases of the proposed welding of doctrinal matters remained to be clarified and results of further negotiations should be resubmitted to the conference.

File Petition for Socialist-Labor

OREGON CITY, Aug. 6—(AP)—County Clerk Guy Page held petitions for the formation of a socialist labor party today.

The new party's proposed central committee included Lester E. Harnden, Theodore Bossie, Bessie Bossie, Alfred Hoglund, David Berglund and Upton A. Upton.

The petitions, bearing 800 names, were filed yesterday.

Shasta Dam Strike Is Averted; Contractors Agree to Hour Change

REDDING, Calif., Aug. 6.—(AP)—A threatened strike at the Shasta dam—northern California unit of the central valley project—was averted today when the builders of the dam, the Pacific Construction Corp., agreed to a change in work shifts.

The change, effective on Aug. 15, provides for five shifts, each of eight hours, instead of the present six shifts of six hours and 40 minutes.

In One Ear . .

—Paul Hauser's Column

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questions about public issues. If the president has seen the latest "Information Please" movie, he'll think twice before accepting.

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Larry Michael "Scoop" Sturges, Southern California's most prominent five-months old newspaperman, visited the Statesman office yesterday and gurgled critical comments on what he saw. The gurgles were translated by his interpreter and father, Paul Sturges, former Willamette press agent, to mean "Fine plant! What's the circulation and where can a guy get a drink, milk I mean, around here?"

Young Mike, who was born February 29 and is such a prodigy that he'll enter college on his fourth birthday, will return to Los Angeles soon to supervise his extensive rubber doll and bottle holdings in that area.

Night at 3000 Feet Survived

Woman Climber Falls and Injured Seriously; Remains on Ledge

GLACIER RANGER STATION, Wash., Aug. 6—(AP)—Two courageous women related a grim battle against death today after their rescuers completed a dangerous trip down from the 3000-foot level of Mt. Shuksan.

Miss Anne Cedarquist, 22, Shelton chemist who fell at the end of a rope Sunday when she missed her footing, was reported recovering from injuries at a Bellingham hospital. She suffered a fractured shoulder and several rib fractures and a lung puncture.

She still was suffering from her ordeal of a night on the side of a cliff in freezing weather.

"It happened so suddenly I didn't have time to be frightened," she related. "The first thing I knew I was falling with the glacier rushing up to meet me. I struck against the rocks and was jolted badly." The rope, attached to Karl Boyer, Seattle, kept her from falling to her death.

Leading Party

She was at the head of a trio as they climbed one of the 9000-foot mountain's most treacherous approaches. Roped behind her was Boyer and 150 feet back of him without any rope protection was Miss Faye Plank, 36, Bremerton high school librarian.

"The upper end of the rope was snubbed around a rock. Anne was about 20 feet above me when suddenly I saw her hurtling down the side of the cliff," Boyer said.

Without the protection of a rope, Miss Plank made a heroic climb to the narrow ledge where Boyer stood and took over the rope's anchorage. Boyer made his way to the injured woman and lowered her to the ledge over which she had been suspended by the rope.

Boyer went for help while the two women lay alone on different ledges during the cold night. The ledges were so narrow they didn't dare move.

Ninety Feet Apart

"I could hear Anne groaning with pain 90 feet below me," Miss Plank said. "I couldn't see her but I yelled to her to keep up her spirits. I heard her call back weakly during the night which seemed ages long."

At noon Monday a rescue party reached the women.

"Miss Cedarquist was conscious when we reached her but her lips were blue from intense cold," Chet Ullin of Seattle, one of the rescuers said.

"To get the stretcher off the treacherous glacier we had to chop footholds in the ice," he said.

"Then we had to lift and lower the stretcher gently over a ridge by ropes. Over some of the ice we had to crawl and skid the stretcher a foot at a time ahead of us."

The group arrived at this mountain post today after struggling down the mountain all of Monday afternoon and night.

Commenting on the near tragedy, R. L. Fromme, assistant supervisor of the Mount Baker National forest asked mountaineers to register with the forest service before climbs. He said they were required to do so by law but that there was no punishment for failure to do so.

League Officials In Auto Accident

GRENOBLE, France, Aug. 7—(Wednesday)—(AP)—Several league of nations financial and economic experts en route to establish their departments at Princeton, NJ, were among 23 persons injured yesterday afternoon when their special bus overturned near Grenoble.

Doctors said none were in danger, but three persons were hurt seriously enough to require hospital treatment.

Pilchard Season Is Started Late

ASTORIA, Ore., Aug. 6—(AP)—The first 102 tons of pilchard taken from Oregon waters this season were processed today at Warrenton reductions plants.

Fishing began late because of a lengthy price dispute which ended with fishermen receiving $10 a ton, a dollar less than in 1939.

Japan Will Take Over Foreign-Owned Schools

TOKYO, Aug. 7—(Wednesday)—(AP)—The Japanese ministry of education disclosed today it would ask for a transfer of control of more than 30 foreign-owned schools whose teachings were said to be incompatible with Japan's national interests.

Battles Loom In NE Africa

Control of Suez Canal and Road to India at Stake There

(Continued from page 1)

have been taken up mainly with preparing the ground for the huge offensive.

Germany and Britain continued their aerial exchanges.

The British said one German bomber was shot down yesterday and that their royal air force had bombed the German naval base on Kiel, the German city of Hamburg, and other military objectives in Germany and Holland.

The nazis, even before Britain reported the latest Hamburg raid, said anti-aircraft fire at Hamburg drove off a large number of British raiders before dawn yesterday.

Hugh Shipping Loss By Britain Claimed

Germany claimed she was smashing British shipping at a far higher rate even than in the World war. German officials said 4,986,860 tons of British merchant vessels and those usable by Britain had been knocked out. This was said to give Germany a monthly score of about 453,350 tons against an average British loss of 205,000 tons during unrestricted submarine warfare in the World war.

Soviet Russia completed absorption of the Baltic states by admitting Estonia as the 16th republic of the soviet union. Lithuania and Latvia previously were admitted. The action boosted Russia's population to 193,000,000 and brought back three states which belonged to the czar before they gained independence during the Russian revolution.

Russia also signed a new soviet-US trade treaty for one year.

Japan arrested seven Salvation Army leaders, all reported to be Japanese, six days ago on suspicion of espionage. Japan's foreign minister, Yosuke Matsuoka, conferred with British Ambassador Sir Robert Craigie and was said to have asked for an explanation of the arrests of Japanese nationals in the British empire.

Europe Will Soon Be 'Howling Hell'

(Continued from Page 1)

their shortage from Germany. If the Germans are prepared to share fairly there probably won't be any famine in Europe this winter."

This source added that the official British attitude toward relaxation of the European blockade is not likely to be defined until a test case arises—that is, when a food ship encounters the blockade, which extends from Africa to the Arctic.

Cudahy cited the probability that German troops of occupation would live off the food of conquered lands if their communications were cut, using supplies which in themselves would be insufficient to support the native populations.

At the same time, Cudahy left some of his interviewers with the impression that he would propose that Washington prepare to deal economically and politically with Germany as the dominant power on the continent.

This point was left vague. Cudahy said he would present the food situation when he returns to the United States next week and "further present the reality of dealing with force as the only power." He would not amplify the remark.

The Cudahy interview underscored Great Britain's blockade dilemma: how can the British navy tighten the economic squeeze on Germany without squeezing friend and foe alike? What assurance could Britain have that free passage of food supplies to the Dutch, Belgians and French—all erstwhile allies—would not work to the benefit of Germany?

Bible Drama Will Be Given Sunday

The Watson family of Boise, Idaho, will present a four-act Bible drama entitled "Their Last Warning," by Manford Evans, Sunday at 8 p. m. at the Church of the Nazarene, 13th and Center streets.

This drama is directed by Rev. Ray Watson and has been seen by large congregations in many other cities. Mr. and Mrs. Watson each play leading parts as does their eight-year-old daughter Joyce. Many others are in the tableaux and singing parts. There will be no admission charge and the public is invited.

Leaves Sea at 49; Dies Inland at 99

EMPORIA, Kas., Aug. 6—(AP)—For 30 years Neil Currie roamed the seas — and then decided he had seen enough water.

So he unrolled a map, looked for the most land-locked city in the nation and decided it was Emporia. Last night the retired sea captain died after having lived here for 50 years.

Sept. 1 he would have been 99 years old.

June Sales by US Higher Than 1939

WASHINGTON, Aug. 6—(AP)—The commerce department reported today that the United States merchandise sales were higher in June to nearly every part of the world than in the same month last year, despite war restrictions.

Oceania was the only major geographical division buying less.

Get Land for Scouts

WASHINGTON, Aug. 6.—(AP)—A bill directing the interior department to lease without cost certain public lands to Junction City, Ore., for a Boy Scouts' summer camp was passed by the senate today.

Jewels Returned; Robbery Deemed Inebriate Prank

SAN FRANCISCO, Aug. 6—(AP)—As mysteriously as they vanished Sunday from an exposition showcase, jewelry articles valued at $27,000 were returned by mail today to the firm which had them on display.

The valuables, three bracelets and two clips, were received this morning in a package mailed to Shreve and Co., from the Ferry postoffice here.

A note, which police refused to disclose, accompanied the package. Officers said it indicated a prank on the part of "jokesters" who were "a little drunk." The note was signed "Raffles."

Police Chief Charles Duulea expressed belief the thieves might have been frightened by publicity attending the theft, and unable to dispose of the jewels, decided to return them.

Leech Tells of Red Activities

Says Anti-Nazi League Got Money in Hollywood; Active in EPIC

LOS ANGELES, Aug. 6—(AP)—John L. Leech, former Los Angeles county organizer for the communist party, told a grand jury today, the district attorney's office said, that the party organized the Hollywood anti-nazi league as a rich source of funds from motion picture luminaries.

Leech, a principal witness in the Harry Bridges deportation hearing and before the Dies committee, appeared before the county grand jury at the start of its investigation of a waterfront killing attributed by District Attorney Buron Fitts to communist influences.

It was announced that grand jury subpoenas have been issued for Herbert Biberman, motion picture director and husband of actress Gale Sondergaard; Lionel Stander, comedian, and two score others.

"Because of Hitler's anti-semitic program, the communist party conceived the idea of playing on the fears of the Jewish people and getting them into the communist party by selling them on the idea that the party, being an international organization, was the only agency in position to effectively combat the influence of Hitlerism and afford protection to the Jews," Leech was declared to have told the grand jury.

3000 Members in Hollywood

He said membership of the anti-nazi league grew to 3000 in Hollywood and was such a success, from the communist party's standpoint, that it was made national in scope. About the time of the Hitler-Stalin pact, its name was changed to the Hollywood League for Democratic Action.

Leech was quoted as telling the grand jury that Earl Browder, head of the communist party in the United States, instructed him to arrange for infiltration of party members into the epic movement, with the backing of which Upton Sinclair won the democratic nomination for governor in 1934, in the hope of developing a farmer-labor party.

"'Join the communist party and we'll see that you get on the relief rolls or get your present relief money increased'," he quoted party representatives as telling indigent persons.

A secondary purpose of such tactics, he said, is to increase the tax burden and hasten the collapse of capitalistic government.

Another witness was Clyde Champion, identified as a former communist party member, who was declared to have testified a group of men was brought to his home shortly after John Riley, a member o fthe AFL sailors' union, had been fatally beaten.

Fitts told the grand jury its investigation should consist of two phases, the Riley slaying, "which was prompted by the efforts of the communists and their spies to destroy legitimate unionism by their infiltration process," and the communist party's affairs in general.

"The United States, especially the Pacific coast and in particular Los Angeles county, can not continue to drift with safety while these people are ceaselessly at work boring from within," he added.

Fund Is Approved For WPA Music

WASHINGTON, Aug. 6.—(AP)—Senator McNary was notified by the works progress administration today of presidential approval of $197,045 to initiate, coordinate, supervise and conduct music activities throughout Oregon.

The state board of higher education sponsored project will include public programs. Further action was assigned to the discretion of the state administrator.

Nazis Deny Death Rumor, Streicher

BERLIN, Aug. 6—(AP)—British reports of the death of Julius Streicher, former nazi party district leader for Franconia, were denied today by German authorities who said he was quite well on his farm near Nurnberg.

The reasons for Streicher's suspension from his Franconia post were not made known.

Portland to Hear First Lady, Labor Secretary

PORTLAND, Aug. 6—(AP)—Mrs. Emily P. Edson, Oregon democratic national committeewoman, said today Mrs. Franklin D. Roosevelt and Secretary of Labor Perkins would be Portland speakers before the November election. No dates have been set.

Grain, Stubble Fields Ablaze

Yamhill, Polk and Linn Counties All Report Damage From Fire

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cluding five acres of Audney Tokstad's grain, were burned over by a fire starting in the Silverton city dump. The Mount Angel and fire departments saved a dozen homes.

Some "hoot owl" shifts continued in the dangerous Forest Grove region, although most logging operations were closed.

More than 20 Portland brush and grass fires were extinguished by Portland firemen yesterday. Two boys saved the Kennedy grade school by prompt action after they saw a man ignite grass near the building. They had it stamped out by the time firemen arrrived.

One heat prostration was reported in Portland's 95-degree weather yesterday. Medford was the hottest spot in the state with an even 100, although Roseburg was only a degree behind.

Portland's maximum dropped about 5 degrees today and the federal weather bureau predicted coastal fogs, thunder showers in the mountains and cooler temperatures in the west portion of the state would relieve the heat wave tomorrow.

KLAMATH FALLS, Aug. 6.—(AP)—A 13,000-acre brush and forest fire raged in the Fandango Pass country of Modoc county, Calif., 100 miles southeast of here, today.

The high grade mining district near the Oregon line was threatened after the fire broke through on the north front. About 1300 men, including several logging camp crews and large numbers of CCC enrollees were on the lines.

Alturas forest service officials expected the fire to be controlled tonight unless a heavy wind arose.

Steep Levies Due On Excess Profit

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mittee considers the bill.

The plan provides two alternatives by which companies may compute the "excess profits" which would be subject to tax. Setting 1936-39 as a "base period," one plan is based on current earnings as compared with the average earnings over the base period; the other takes account of earnings and invested capital.

Under either alternative, the first $5000 of a concern's "excess profit" would be exempt from any tax. Chairman Cooper (D-Tenn) of the subcommittee said that this was "designed to take care of the small companies" and estimated that it would exempt all but 70,000 of the 475,000-odd corporations in the country from paying the tax.

For "excess profits" beyond $5000, the tax rates would be 25, 30 and 40 per cent. The 25 per cent tax would apply to so much of a firm's excess profits as equalled 10 per cent of its "tax credit." The 30 per cent tax would apply to the second 10 per cent, and the 40 per cent tax to the remainder of the excess profits.

The "tax credits" could be figured in two ways. Under the first plan, a concern simply would deduct from its current earnings as a tax credit an amount equal to its average earnings during the four designated years.

The second system would grant a maximum credit of 10 per cent of invested capital and a minimum of 6 per cent of the first $500,000 of a concern's invested capital plus 4 per cent of the balance.

Body of Fisherman Recovered, Creek

McMINNVILLE, Aug. 6—(AP)—State police recovered the body of Felix Zahumensky, 24, Portland, from Rock creek late yesterday. He drowned while fishing Sunday.

The body was taken from a deep hole four miles west of Grand Ronde, State Police Sergeant Ralph Grenfell said.

The youth disappeared from a party of five Portland fishermen. His brother, Frank Zahumensky, Jim Ross, Frank Yakubee and John Sande searched for him most of the day before reporting to state police.

Third Term not Threat But Real Dictatorship Declares Bud Kelland

NEW YORK, Aug. 6—(AP)—Author Clarence Buddington Kelland, republican national committeeman from Arizona, declared today that a third term for any man is not a threat of dictatorship — it is dictatorship. He addressed a women's republican club.

Y. T. Lam, M. D. — Herbal remedies for ailments of stomach, liver, kidney, skin, blood, glands and urinary system of men & women. 22 years in service. Naturopathic Physicians. Ask your neighbors about CHAN LAM.

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