

COVERAGE

The Herald and News blanket a rich agricultural and industrial empire of Southern Oregon and Northern California.

The Evening Herald

ASSOCIATED PRESS

IN THE SHASTA-CASCADE WONDERLAND

UNITED PRESS

Price Five Cents

KLAMATH FALLS, ORE., SATURDAY, JULY 22, 1939

Number 8713

WEATHER

High 91; Low 63
24 hours to 8 a. m. 90
Season to date 8.25
Last year to date 17.33
Normal precipitation 11.89



page three

FIRES RAGE IN KLAMATH AREA

Losses on Business Loans Forecast by Chairman

In The Day's News

By FRANK JENKINS
DAS SCHWARZE KORPS (which, as a dictator-controlled German newspaper, says what it is TOLD TO SAY and not what it believes) doesn't like styles in women's clothing. It terms the style motif a "wasteful foreign swindle."

THAT isn't all. Constantly changing fashion creations, it tells the tightly regimented Germans, are an irresponsible waste of material "at the expense of national economy!"

COMING from a German, that is good.

The German economy, under Hitler, is a WAR economy. That is to say, Germany is devoting all her energies to preparing for war. Her steel goes into guns and other war engines. Her chemicals go into powder and other war materials.

You can't eat war engines and war materials. You can't wear them. You can't use them to shelter you from the storm.

So, from the standpoint of basic and practical human needs, Germany is wasting ALL the energy she is putting into preparations for war.

EVEN use of materials isn't all. When you take a man from his peaceful pursuits and make a soldier of him you remove him from normal production—which means either that those who are left must WORK HARDER or that the people must DO WITHOUT MORE.

When your soldier (already removed from normal production) takes the gun (to make which you have used steel that would otherwise have gone into something for normal human use) and goes out and shoots down Germany's neighbors, he is KILLING OFF customers for the product of German factories and German fields.

Even if you have the imagination of a Jules Verne, you can't possibly imagine anything more "irresponsibly wasteful" of material at the expense of national economy than war—toward preparation for which Germany is turning her whole national effort.

SO, when Das Schwarze Korps tells the German women they ought to be ashamed of themselves for changing the styles of their clothing with the seasons and with the fashions, thus participating in a wasteful swindle at the expense of the national economy, it becomes a very sooty and grimy pot calling an almost clean kettle black.

THE pity of it is that Hitler and his sorry crew have no sense of humor, and therefore are unable to see the grin irony that is involved in this and similar German situations.

Five Killed as Driver Sleeps, Car Hits Truck

AUGUSTA, Wis., July 22 (AP)—Five Chicagoans were killed and a sixth was injured today when the automobile in which they were vacation-bound crashed into the rear of a blueberry truck during a fog.

The dead: Mr. and Mrs. Walter Boyce, about 40; their daughter Irene, about 16; Lilly Prendergast, about 16, and Ralph Senn, about 38.

Frank Lump, a cousin of Senn, suffered cuts and bruises. Lump said he was sleeping at the time of the accident.

High-Arch Footprinters Arrive to Present Charter



Ready to present the charter to the Klamath Falls chapter of Footprinters, three officials arrived here Saturday morning from the San Francisco bay area. They were greeted by local club members. Reading from left to right, "Happy" Brandness, Tom Judge, Mayor Clifton Richmond, E. J. Steinmeyer of Alameda, Chief of Police Frank Hamm, Robert H. Morse of San Francisco, Phillip E. Geauque of San Francisco, Robert Elder and Lawrence Bergman. Steinmeyer is the first vice president of the grand chapter, International Footprinters association, San Francisco; Morse is grand chapter treasurer, and Geauque is secretary of the grand chapter.

TWO KILLED, NINE HURT IN SHANGHAI

Anti-Chinese Terrorist Attack on Newspapers Results in Gunfire

SHANGHAI, July 22 (AP)—A. F. Wilson, formerly of Philadelphia, and a Chinese were killed tonight in a terrorist attack on two Chinese-language newspapers, one of which is American-owned.
Wilson, 47-year-old cafe owner known as "Tug," was shot five times when he tried to seize one of the terrorists. He died soon after being taken to a hospital. Nine persons were wounded. Both the newspapers involved have been constant supporters of the Chinese government of Generalissimo Chiang Kai-Shek. One is the Chinese-American News, American-owned. More than 150 shots were fired and several hand grenades thrown as the terrorists, after raiding the newspaper offices, engaged in a running battle with police. All the terrorists were reported to have escaped. The attack was the most serious terrorist attack here in the two years of the Japanese-Chinese war.

After the battle all reserves of the international settlement police were called out and patrolled downtown streets, wearing bullet proof vests.

Police said Wilson, who was passing the building housing the two newspaper plants, tried to stop the first of the terrorists as three emerged from the building. Nearly a score still were inside, and as these poured out, with pistols blazing, Wilson was quickly surrounded and shot down.

Wilson had spent 25 years in the far east and had been a steamship captain before acquiring a cafe in Shanghai's night life district.

The attack occurred on avenue Edward VII, one of Shanghai's main thoroughfares, dividing the international settlement from the French concession. The wounded included three Chinese police, a Russian cabaret girl, and five Chinese civilians.

Britain Denies Planning Loan To Germany to Purchase Peace

By The Associated Press
Persistent reports of an impending peace deal with Germany were denied indignantly by Britain today while Berlin officials credited themselves with another victory in the European "battle of nerves."

"All talk of a large loan to Germany in return for partial disarmament is absolutely unofficial and purely academic," said the British foreign office spokesman.

Speculation on a possible settlement through an international loan to change German economy from a wartime to a peacetime basis had centered around the visit to London by Dr. Helmuth Weizsacker, German trade ambassador, who returned today to Berlin.

He conferred in London with Sir Horace Wilson, permanent secretary to the treasury and close adviser of Prime Minister Chamberlain. In Berlin he denied he had conducted negotiations for any "peace" loan.

The British foreign office spokesman said that "before any scheme for a general settlement can be considered by

the British government, there must be some evidence of Germany's willingness to change her policy."

Reports pouring into Berlin of the "sensational" effect of yesterday's statement by an official spokesman created satisfaction among German officials though foreign office sources insisted there was nothing new in the assertion that Germany is confident Danzig will be regained soon without bloodshed and on German terms.

Treatment of the statement as new in other countries was merely an indication of "ragged nerves," they declared.

Poland was standing firm against Nazi pressure but the course of her Soviet neighbor remained unpredictable. A Moscow announcement last night disclosed trade talks with Germany had been resumed after the sudden interruption of preliminaries last January.

Resumption of negotiations after two previous failures held disturbing possibilities both for Poland and British-French attempts to bring Russia into a mutual assistance agreement.

London financial circles said a "gentlemen's agreement" had been reached giving Poland the right to spend a \$38,800,000 British-French rearmament loan wherever she wishes, but requiring Warsaw to inform London of where arms purchases are made.

In Tokyo British and Japanese representatives agreed on the form and subjects for discussion at an impending parley on their far eastern dispute. Japanese sources said Britain had accepted "all Japanese proposals" including recognition of the "necessity of measures taken by the Japanese army" in China.

Baseball

AMERICAN LEAGUE

First game: R. H. E.
Philadelphia 4 15 1
Detroit 2 5 0
Nelson and Hayes; Newsom and Tebbetts.

First game: R. H. E.
Philadelphia 4 16 1
Detroit 2 5 0
Nelson and Hayes; Newsom and Tebbetts.

NATIONAL LEAGUE

Pittsburgh 9 13 0
Boston 3 8 14
Swift and Berres; MacFayden, Frankhouse (8) and Lopez.

St. Louis 2 8 3
Brooklyn 7 8 1
Welland, McGee (4), Shoun (7) and Padgett; Hamlin and Todd.

Cincinnati 2 9 1
Philadelphia 0 5 0
Derringer and Lombardi; Beck and Davis.

VOLCANO ACTIVE

SAN SALVADOR, Salvador, July 22 (AP)—Izalco volcano, which sailors call "the light house of the Pacific," stirred into intensified activity today, throwing out large quantities of lava. Located in northwestern Salvador near the coast, the 8200-foot peak never has become entirely inactive and is visible far at sea.

SOLON ASKS BAN ON F. R.'S TALK

"Spectacular" Utterances Retard Recovery, Do No Good, Claim

WASHINGTON, July 22 (AP)—Senator Bridges (R-N.H.) asked today "for a moratorium on spectacular presidential utterances and spectacular presidential actions" as a means of aiding recovery in this country.

In a statement the New England republican criticized the chief executive for making a statement to reporters that "failure to get the kind of so-called neutrality legislation he wants will hurt business."

Bridges said this "serves no good purpose at all" because "considerable weight is given to the utterances of our presidents and unusual weight is given to Mr. Roosevelt's because so often in the past his intemperate utterances had adumbrated 'spectacular action'."

The senator credited "what appears to be an improvement in business" to congressional action "in removing a few of the obstacles to recovery and in preventing passage of administration proposals that would retard it."

"Mr. Roosevelt's penchant for unjustified utterances, utterances made in a fit of anger, a conviction, had no small part in retarding recovery in this country," Bridges said.

"Now that there are many indications of an upturn, would it be too much to ask for a moratorium on spectacular presidential utterances and spectacular presidential actions. They make spectacular pictures for the newspapers and the news reels but they don't help towards getting the unemployed back to work."

Mask Experiment Troublesome Task

EVANSTON, Ill., July 22 (AP)—Sixteen-year-old Mildred Harmon, whose favorite school subject is chemistry, was anxious to have a life mask of herself so she applied a mass of damp plaster of Paris to her face and waited an hour for it to harden. When she discovered that she could not remove the mask, she was taken to Evanston hospital where the unmasking operation was performed by physicians. The extent of her injuries was loss of her eye lashes. But she bought some new ones at a drug store.

SENATE GROUP SENDS LENDING BILL TO FLOOR

Jesse Jones Says Plenty of RFC Loans Will Be Lost by Government

WASHINGTON, July 22 (AP)—The senate banking committee approved today the administration's \$2,490,000,000 lending bill and sent it to the senate for consideration Monday.

Majority Leader Barkley (D-Ky.) told reporters he was hopeful that debate on the measure would be completed "in three or four days."

Barkley added, however, that it still was doubtful whether congress could adjourn on the tentatively designated date of July 29.

The bill had been studied by the committee for several days. One of the principal witnesses advocating its passage was Jesse H. Jones, administrator of the new federal loan agency.

WASHINGTON, July 22 (AP)—Jesse H. Jones, the federal loan administrator, has advised the senate banking committee that the reconstruction finance corporation is "going to have plenty of losses" on the loans it already has made to business.

An unrevised record of Jones' testimony on President Roosevelt's new lending bill was circulated among committee members today. The printed text showed the former RFC chairman was asked by Senator Townsend (R-Del.) whether the lending agency had made all business loans which "were in any way eligible."

"We think we have," Jones answered. "We're not infallible. We make plenty of mistakes and plenty of bad loans. We will have a very substantial percentage of losses on our business loans."

"The liberality of the policy is going to show up in the losses you take," interjected Senator Adams (D-Colo.).

"Yes," Jones responded. "We are going to have plenty of losses."

Adams then asked whether the losses would run as high as 10 per cent, and Jones replied: "I am ashamed to tell you what I think it will be. It will be plenty."

Jones testified that the RFC was currently foreclosing on \$12,000,000 of industrial loans and that it would take a "very heavy loss" on the transaction.

"If anybody makes loans on a more liberal basis than we are making them now," he added, "they will be grants—they will not be loans."

The RFC declined today to estimate how much it might lose on business loans. The latest financial statement showed it had made 5508 such loans, totaling \$260,886,267, since February, 1933. Banks later took up \$7,923,427 of these. In addition banks had participated in business loans to the extent of \$63,725,720. An RFC official said no figures showing the average loss on business loans were available.

While Jones' committee testimony disclosed the RFC would lose on business loans, a letter he sent to President Roosevelt earlier this week brought out that on its total transactions, including all types of loans, the corporation actually was making money.

Resigning as RFC chairman to become federal loan administrator, Jones wrote that the agency had "sound assets sufficient to pay all of its debts and return to the treasury the entire capital stock invested in it, with something in addition."

Fire Destroys Homes, Buildings West of Bieber

BIEBER, Calif., July 22 (Special)—Homes of George Brewster, Fred Ashe and Louis Conrad, the postoffice and Brewster's service station at Dana, 20 miles west of here, burned down Friday evening. CCC men on their way to a forest fire stopped off to fight the flames and were able to save most of the contents of the buildings.

WPA Probe Halts Action On Labor Act

WASHINGTON, July 22 (AP)—Chairman Thomas (D-Utah) of the senate labor committee declared today that the house decision to investigate the national labor relations board had eliminated the possibility of congressional action on proposed amendments to the Wagner act this session.

Previously the Utah senator had maintained there was a possibility for action this session.

Thomas said the senate committee decided today to wind up its lengthy hearings on proposed amendments "the day that congress adjourns."

John L. Lewis, the CIO leader, and a long list of his supporters will be called by the senate committee, Thomas said. They have opposed amendments at this time, including those requested by the AFL.

After the CIO testimony, Thomas said the senate committee will hear Secretary of Labor Perkins and possibly Secretary Hopkins of the commerce department.

OLD FEUD BLAMED IN KIDNAPING CASE

Son of Juror in Murder of Archbishop Thought Held by Abductors

NEW YORK, July 22 (AP)—The six-year-old story of the slaying of an Armenian archbishop was studied by police today in the belief that a thirst for revenge for conviction of the prelate's slayers may lay behind the disappearance of a clothing exporter's son.

Dickran Dadourian, father of the missing 16-year-old Hovhannes Dadourian, Yonkers high school junior, said the case was "definitely a kidnapping," but police saw a possibility that vengeance against the father might be the motive.

The elder Dadourian was one of a volunteer committee of Armenians who helped to convict fellow-countrymen of the murder of the archbishop, Leon Tourian, who was stabbed in front of his altar as he prepared to say mass on Christmas eve, 1933. The churchman and Dadourian were close friends.

Two of the nine, all of them described as members of a secret Armenian revolutionary party, were sentenced to death. Later their sentences were commuted. The other seven drew prison terms of 10 to 20 years.

Speaking through another son who acted as interpreter, Dadourian was reluctant to discuss the vengeance theory but expressed conviction his son had not left home voluntarily.

He pointed out that Hovhannes had only \$2.25 in his pockets when he left home July 8, 20 to go to a movie while some \$200 lay untouched in a drawer in his dresser.

The father said he had received no ransom demands. Schooled to anguish by previous misfortune, Dadourian added he feared his son already had been slain by abductors who were in terror of capture.

Hovhannes and another child were born to the Dana family since they came to the United States. Four sons and a daughter were slain in the Turkish-Armenian massacres two decades ago.

Father of Child Bride Files Suit

MANKATO, Minn., July 22 (AP)—Naming Ernest Johnson, husband of Mankato's child bride in his complaint, Halie Deremer, father of the girl, has started divorce action against his wife Alvina Deremer, here.

Deremer charges that his wife aided Johnson, 30, to marry Virginia, two years ago, when she was 13 years old, and that after the marriage Johnson lived at the Deremer home for nearly a year despite his protests.

BIG BLAZE AT SHAW'S HELD IN 1500 ACRES

Poe Valley Outbreak in Control; Weather at Season's Worst

After covering 1500 acres of brush and cutover land near Shaw's mill, near Hackamore, Calif., a fire which originated from a truck backfire or a discarded cigarette was brought under control early Saturday morning.

A crew of loggers from Shaw's mill and a force of approximately 400 CCC men from three camps succeeded in maintaining control of the blaze Saturday and officials in charge believed the danger point had passed.

\$100 Fine
Harry Huddart, truck driver, of Klamath Falls, was arrested near the scene of the fire late Friday on charges of starting the blaze. Huddart was arraigned in justice court at Tulelake and was fined \$100 after pleading guilty.

E. R. Morford, executive assistant of Modoc national forest, said in a telephone message to The News and Herald from Alturas that Huddart is believed to have started the fire by discarding a cigarette. Other reports reaching Klamath Falls stated, however, that the cause may have been a backfire from the truck Huddart was driving.

Grass and brush near the mountain road on Ainslie butte, two miles east of Tulelake, where the fire originated, was said to have been thin-dry and low humidity created a high fire hazard.

Buildings and backfires were being employed by the fire fighters to construct firelines around the blaze, which spread on a mile front, fanned by a light wind.

The arrest of Huddart was made near Tulelake by Stuart Schick, fire prevention officer of Modoc national forest.

No valuable timber was reached by the fire and the flames did not menace buildings at Shaw's mill or other buildings in the neighborhood, according to Everett Sample, timekeeper at the mill.

The fire covered both land owned by Shaw's mill and territory in Modoc national forest. Rangers of the national forest were being aided by officials of Lava Beds national monument in marshaling crews to combat the blaze.

Fire on the slopes of Stukel mountain at the south end of Poe valley casting a pall of smoke over the Klamath Falls area and a towering white-crested smoke cloud far to the south over the California border were visible indications late Friday of a forest fire hazard which was mounting to alarming proportions.

Cy Combest, county fire warden, was in charge of crews organized to fight the Stukel mountain blaze, which was brought under control late Friday night. The fire covered a considerable area along the Bonanza-Poe valley road, blackening brush and grassland. The flames were controlled before reaching patches of timber. Origin of the fire was unknown.

GRANTS PASS, July 22 (AP)—The 40 best fire-fighters of Oregon and Washington headed a crew of 300 men today combating the first major blaze of the season in the Siskiyou national forest.

The 40-man crew, individually selected from 20 national forests of the two states, equipped with the latest suppression tools and trained in the most advanced methods, was set up this spring to act as a trouble-shooter squad to be rushed any place within several hundred miles.

Today's fire, which sprang up Friday afternoon at Horseshoe Bend of the Rogue river below Galice, had covered 400 acres of open grass and brush country this morning. Two hundred and (Continued on Page Twelve)

IN THIS ISSUE	
Building News	Page 9
Cities Briefs	Page 8
Comics and Story	Page 2
Courthouse Records	Page 4
Editorials	Page 4
Market, Financial News	Page 9
Pattern	Page 12
Society News	Page 5, 6, 7
Sports	Page 10
Weather	Page 8