

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., MONDAY, JANUARY 8, 1940

Number 8856

WEATHER

Sunday's maximum 40
High 40, low 31
PRECIPITATION
Season to date 7.32
Normal precipitation 5.02
Last year to date 4.43



FINNS WIPE OUT RED DIVISION

In The Day's News

By FRANK JENKINS
THOMAS F. HAWKINS, Associated Press correspondent with the Finnish armies, passing on the report that Russia is massing men and munitions for another attack on the Mannerheim line, adds that foreign military observers consider the Finns' defenses impregnable AS LONG AS WINTER LASTS.

It is that is true, Stalin chose the wrong time for his attack on Finland. Great leaders don't make such mistakes. Avoidance of costly mistakes is what makes leaders great.

Stalin is to be feared not because of his BRAINS but because of the vastness of the resources he commands. RESOURCES WITHOUT BRAINS seldom get far.

It is a fair guess that the time may come when Stalin will regret his destruction of Russian brains by Russian firing squads.

GERMANY, today's dispatches inform us, refuses to permit Italian planes destined for Finland to pass through the Reich. Russia, the Germans explain, would OBJECT VIOLENTLY to the giving of such permission, and so it can't be done.

That is interesting for two reasons:
1. It confirms the sending of Italian planes to Finland. (Rumor adds that these Italian planes will be flown against the Russians by Italian "volunteers.")
2. It indicates that Germany is TAKING ORDERS FROM RUSSIA.

It must be humiliating for Hitler, who only a few months ago was the world's No. 1 gangster, to be taking orders meekly from Stalin, whom he in his "Mein Kampf" days he affected to despise.

ANOTHER interesting dispatch: Hungary and Italy are reported to have agreed upon a defensive military alliance guaranteeing Hungary ITALIAN MILITARY SUPPORT against any invasion by GERMANY OR RUSSIA.

What Hitler did, you see, when he made his famous agreement with Russia, was to swap Mussolini as an ally for Stalin.

There must have been many times he has regretted the swap.

MUSSOLINI, apparently, is saying to Stalin: "Keep out of the Balkans. The Balkans are MY BACK YARD."

Germany Refuses To Pass Planes Bound for Finland

BERLIN, Jan. 8 (AP)—Authorized Nazi sources today confirmed reports that Germany had refused to permit Italian planes destined for Finland to pass through the Reich.

These sources said no nation under international law was obliged to accept war material as transit goods. Each case must be decided on its merits, they held.

Russia, they said, would have objected violently if the planes had been allowed to pass, and Germany deemed it expedient to refuse such transit as a means of preventing extension of the war area.

KAISER ILL
DOORN, The Netherlands, Jan. 8 (AP)—Former Kaiser Wilhelm, 80, remained in his room today under treatment for a cold, but his household expressed no alarm over his condition.

Huge Navy Expenditure Asked

OVER BILLION SOUGHT TO PUT U. S. IN LEAD

Threat of Extended War Seen by Official in Testimony to House

WASHINGTON, Jan. 8 (AP)—The navy's highest ranking officer urged congress today to approve a \$1,300,000,000 increase in the fleet because the international situation "in conjunction with far eastern conditions, presents a threat of world conflagration."

Admiral Harold R. Stark, chief of naval operations, was a witness before the house naval committee. He testified that "if the United States does not take immediate action toward increasing the strength of its fleet, the end of the present war will find us in a relatively weak naval position."

Hearings on the expansion program, which experts said would give this country the world's greatest navy, opened under the glare of camera floodlights.

Secretary Edson, in a brief preliminary statement, declared he believed the proposed 25 percent increase in the fleet was needed "in view of the grave international situation."

Stark's testimony indicated expansion program had been revised, since first announced, to provide for some larger ships than originally contemplated.

Stark made the disclosure prior to testifying on the proposed expansion before the house naval committee.

He said the program now called for 77 combatant ships and 30 auxiliaries.

Chairman Vinson (D-Ga.) of the naval committee originally announced the proposed 25 percent increase in the fleet's tonnage would provide 95 warships and 31 auxiliaries.

Stark said that on the basis of information available and some "guesstimates," the total tonnage of the world's major navies is:

United States 1,727,020 tons, Great Britain 2,053,229, Japan 1,180,984, France 801,379, Italy 710,035, Germany 516,653, Russia 478,518.

On the basis of these figures, he asserted, the ratios were:

United States 5.94, Britain 5.94, Japan 3.42, France 2.22, Italy 2.06, Germany 1.5, Russia 1.39.

The navy's chief admiral emphasized that "we know little of what anybody is doing today."

Plane Tests Klamath Air Route



Landing here Saturday on the first flight survey of a proposed air service linking Portland, Redmond, Prineville, Bend and Klamath Falls, this Stinson Reliant will pay daily visits to the Klamath airport carrying passengers and express for Oregon Airways, Inc. Grouped in a picture taken at the local port as the plane was about to take off after its first landing here, are left to right: H. E. Stearns, president and general manager of the airways; Edith-Foltz Stearns, publicity director; Tom Hinman, operations manager; Bill Randall, co-manager of the local port; Dave Lewis, chief pilot, and Max Guiley, co-manager of the airport. Monday's flight to Klamath was cancelled because of adverse weather conditions. Regular passenger and courtesy mail service is expected to start this week.

AID PROMISED FOR TULE LAKE PROJECT

Pierce, Holman Seeking to Revive Chances for Appropriation

Replying to telegrams from the chamber of commerce, Senator Rufus Holman and Congressman Walter M. Pierce promised Monday to do all in their power to revive the chances for congressional appropriations for the Tule lake sump project.

Even as their messages came in from Washington, water continued to spread on Tule lake and buildings were being removed from the property of the Steele Land and Livestock company.

Secretary Earl Reynolds of the chamber of commerce said he expects to send additional information, as well as pictures, to the congressman and senator. He said that no doubt civic organizations throughout the basin will go to work immediately in behalf of the sump project, which is designed to solve the excess water situation on Tule lake.

The messages from Holman and Pierce follow:
Earl C. Reynolds, Secretary Klamath County Chamber of Commerce

Referring Tule lake sump project, budget cut out all requests for new projects and budget estimates as submitted to congress contain no funds for Tule lake. Will see what can be done when interior appropriation bill reaches senate committee. Please furnish me with current brief containing arguments in behalf of this project.

Rufus C. Holman, U.S.S. FROM PIERCE
Mr. Earl C. Reynolds, Secretary Klamath County Chamber of Commerce

"My Dear Earl:
"I surely did tell you that I had every reason to believe the recommendation would be made for the money to commence work on the pumping plant to fill Lower Klamath lake and pump out the sump. The budget cut me so, the reclamation service told me so, and the biological survey told me so. (Continued on Page Three)

House Finds First Debate of Session in Anti-Lynch Bill

WASHINGTON, Jan. 8 (AP)—The house plunged into its first legislative controversy of the new session today by voting to start debate tomorrow on the perennial anti-lynching bill.

By a standing vote announced by Speaker Bankhead as 170 to 67, the house ratified a petition signed earlier by 218 members to force the legislation to the floor for debate. Representative Cox (D-Ga.) denounced the legislation as representing "senseless and ignorant hostility" toward the south.

A roll call vote of 256 to 114 affirmed the standing vote. Opening the discussion, Representative Martin J. Kennedy (D-N.Y.) expressed a wish the house debate could be characterized by the name "feeling of good will" that democrats expected at the party's Jackson day dinners tonight.

Kennedy told the house that as in 1776 when Europe watched the development of democracy here "Europe looks to us again."

Robber Shoots Telegraph Clerk In Holdup Try

CLEVELAND, Jan. 8 (AP)—A youthful robber shot an American District Telegraph company guard to death early today in the Western Union Telegraph company main office here.

The youth, who said he was a University of Pittsburgh senior, was critically injured.

The guard, Theodore Nichols, 34, of West Springfield, O., died several hours after the gun fight. Police Sergeant Anthony Luciano, who fired several shots at a man running from the office, said the youth told him his name was John McCormick, 21, Pittsburgh.

"My mother had been trying to get me to quit college, and I was getting tired of studying anyway. I figured this would be an easy way to make money," Luciano quoted him.

ITALY TO BACK HUNGARY; BOTH OPPOSE SOVIET

Peaceful Answer Sought for Rumanian Claims; Defense Agreed on

ROME, Jan. 8 (AP)—Authoritative fascists indicated today that Italy would support Hungary's territorial claims in return for Hungary's aid in defense of the Balkans against danger of invasion by Russia.

Such responsible sources as Virginio Gayda, editor of Il Giornale D'Italia who usually speaks for the government, denied flatly, however, that any new formal agreements had been negotiated by Foreign Minister Count Ciano and the Hungarian foreign minister, Count Istvan Csaky, in their weekend conference at Venice.

In Budapest Count Ciano and Csaky were reported to have agreed on a defensive alliance assuring Hungary of Italian support against invasion by either Germany or Russia.

Gayda, writing for his newspaper from Venice, said the meeting of the two diplomats was a warning to everybody that "Hungary is at the side of Italian policy in the general lines which it is tracing and in the methods which it intends to follow for its development, just as Italy stands beside Hungary in the particular problems which she has raised and which form the substance of her foreign policy."

Nothing was disclosed of the methods Italy intends to follow to keep war out of the Balkans.

Gayda said that Hungary "intends to insist on peaceful methods" for the settlement of her territorial claims, particularly those against Rumania for Transylvania, a district transferred from Hungary to Rumania at the end of the World war.

Gayda warned, however, such an attitude must not serve as a pretense for other countries to try to dodge "a realistic plan of frank study and reasonable solution of pending problems."

The editor then reviewed the Italian viewpoint that it would be "a fatal error" to delay settlement of problems which could be solved peacefully, considering the uncertainty of European events.

With Russia on the frontiers of Hungary and Rumania, Italy particularly is urging these two countries to come to terms.

Buildings Removed From Steele Land As Sump Rises

With water still rising in the Tule lake sump area, Steele Land and Livestock company on Monday was removing its buildings permanently placed on company property on the west side of the lake.

The Steele interests have already lost more than \$50,000 in the rise of water which broke dikes and flooded the company's entire holdings.

The buildings were surrounded by a dike but the water was coming through that barricade Monday. Buildings included a modern cottage, machine sheds, frost-proof pump house and several other farm structures.

Club Murder Victim



LESS THAN a month after her husband had asked Aberdeen, Wash., police to protect his family, Mrs. Dick Law (above), wife of a CIO union official, was killed by an intruder who crushed her head with a club.

ADVOCATES TO URGE PRICE FIXING PLAN

Cost of Production Farm Program to Be Pushed for Early Adoption

WASHINGTON, Jan. 8 (AP)—Advocates of the cost-of-production farm plan declared today they would wage a determined fight for its adoption at this session of congress.

Farmer dissatisfaction with continued low prices, and President Roosevelt's recommendation that agricultural appropriations be cut, have prepared the legislative soil for success, they said.

The plan would substitute unlimited production for the present agricultural adjustment program of acreage and marketing quotas and crop subsidies.

It would prohibit sale of major farm products from domestic consumption below the cost of production, to be determined by the secretary of agriculture at public hearings. The excess over domestic needs would be sold in the world market for whatever it would bring. Tariffs would keep out competing imports.

Soil conservation practices, crop insurance and some other features of the present farm program would be retained, but governmental limitations on production would be junked.

Sponsors of the cost-of-production plan declare the "American farmer is entitled to the American market at a profit," and they say this would give it to him.

Funds Raised for New Graf Spee

BERLIN, Jan. 8 (AP)—Public funds are being raised for the construction of a new warship Admiral Graf Spee, it became known today.

The original Admiral Graf Spee, one of three 10,000-ton pocket battleships built by Germany to meet naval restrictions after the World war, was destroyed in Montevideo harbor December 17 after a battle with British fighting craft.

Public contributions and receipts from concerts and entertainments are being used to raise funds for the new ship.

SECOND MAJOR VICTORY WON ON EAST FRONT

Thousands Killed, 1000 Prisoners Taken With Equipment, Claim

By LYNN HEINZERLING
HELSINKI, Jan. 8 (AP)—Finnish forces wiped out the 44th Russian division, killing thousands and taking more than 1000 prisoners, near Suomussalmi, a special army communique reported today.

It was in the northern part of the Suomussalmi region, at the narrow "waistline" of central Finland, that the Finns, a week ago, reported the virtual destruction of the invaders' 163rd division.

In the new victory the communique said large quantities of arms and material, including 43 tanks, were captured.

Heavy fighting has been reported in the Suomussalmi sector for days but today's communique was the first mention of Russia's 44th division.

Neutral military experts have estimated there are from 15,000 to 17,000 men in a Russian division.

The communique said: "The main object of fighting in the south part of the Suomussalmi sector in the direction of Raate during the last few days has been the defeat of the 44th enemy division."

"This object has been achieved. The enemy forces in the main were destroyed."

"The war booty was large, including 102 different guns, 43 tanks, 10 armored cars, one airplane, 20 tractors, 278 different cars, among them 16 anti-aircraft cars, with four anti-aircraft guns each, 75 automatic rifles, a number of other arms, 1170 horses, 47 field kitchens, etc. etc."

"Clearing up operations and the collection of spoils continues. On other fronts, except for the customary skirmishes and artillery exchanges, it was a fairly quiet day. Our patrols have been active and destroyed during the course of the day numerous enemy patrols."

"See: nothing of note."
"Air: quiet day January 7, both on the home front in field military operations with only a few enemy planes observed. No events of importance."

The severest January cold in years—temperatures ranging from 15 to 40 degrees below zero, Fahrenheit—has combined with stubborn Finnish defense and counter-attacks to (Continued on Page Three)

Demos Slated for Oratory at Party Dinners Tonight

WASHINGTON, Jan. 8 (AP)—Although President Roosevelt's address at the \$100-a-plate Jackson day dinner here tonight is expected to be non-partisan, democratic gatherings in other cities may hear political oratory keynoting the party's 1940 campaign.

The general Washington opinion is that the president will limit his theme to the need for national unity in facing foreign crises, leaving to administration lieutenants—such as Robert H. Jackson, attorney general-designate—any political message from the new deal.

Jackson will speak at Cleveland, while Secretary Wallace will talk at Des Moines and Paul V. McNutt, federal security administrator, at Raleigh, N.C.

Dinners will be held in 44 states, with anticipated profits of \$700,000 going to the democratic campaign fund and to the party deficit of \$219,000. Only in the capital, however, will the guests pay \$100 for a \$5 banquet.

News Index

Sump Project	Page 1
Juvenile Report	Page 3
Eller Heads Shrine	Page 3
City Briefs	Page 5
Comics and Story	Page 2
Editorials	Page 4
Family Doctor	Page 4
Market, Financial	Page 7
Midland Empire News	Page 5
Pattern	Page 6
Potato Table	Page 7
Railroad News	Page 5
Sports	Page 6
Veterans Column	Page 5
Weather	Page 5

25 YEARS AGO TODAY

By The Associated Press
Jan. 8, 1915 — Battle of Solonoma starts with heavy artillery fire.