

The Evening Herald

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NEWS BEHIND THE NEWS

By PAUL MALLON

WASHINGTON, July 6—More anticipation of formidable national defense has pushed American factory output up 9 points in 30 days.
 Advance inside estimates on the federal reserve board's index of industrial production for June, place that barometer at 115. It was 106 in May and 102 in April.
 This is the rising reversal of a trend. It started about six weeks ago. Business then realized the government was going big into the durable goods markets, and if commercial interests wanted to get their steel on time they had better buy before the government started.
 Practically none of the new billions appropriated for defense has yet reached a private wage earner or employer. Actual economic impact of the defense program will not reach the steel industry for perhaps 60 days. Initial expenditures will be small. Full force of the campaign may not be reached until this time next year (some government authorities believe it will be 18 months.)

EFFECT OF PEACE
 Everyone here reads the signs from Europe as definitely pointing toward a negotiated or inflicted peace before winter, although the British naturally are doing their best to crush such talk in order to keep their defense morale at its most efficient pitch.
 Big domestic question of the day for us, nevertheless, is what effect peace may have on our armaments boom now just starting. I think the answer is—not much.
 The administration apparently is anticipating a decline in American public interest in armaments in case of peace. It is now loading up the current army bill with more than \$4 billions of appropriations (forecast in this column June 24) to cover the whole of the next two years and perhaps more. The navy's bill, already enacted, laid down a two to five year program. This long range future commitment is justified officially on the ground that manufacturing plant capacity cannot be expanded efficiently if the government continues its practice of one-year planning.
 This, in itself, is an impressive guarantee that the maximum program will be fulfilled. Another lies in the dim prospects for British success. Only a complete British victory would diminish the actual need of the nation for a two ocean fleet and hemispherical army defense. That prospect now seems too remote to be considered.

MONTHLY CHARGE
 Where we stand now is definitely designated by the following monthly chart. Each figure is based on the averages of 1923-25 as 100 and all except payrolls are adjusted for seasonal variations so as to represent clearly the percentage of normalcy existing at the intervals specified.

	Industrial Production	Employment	Factory Payrolls	Wholesale Prices	Exports	Imports	Foreign Trade	Dept. Store	Building Contracts
Average 1929	119	106.0	110.4	107	111	117			
1932	64	66.3	46.7	55	69	28			
April 1940	102	99.4	96.4	70	90	63			
May	106	98.8	96.0	72	90	65			
June (Est.)	115	101.3	99.5	75	92	65			

LITTLE NEED
 Another reason congress is taking time on Mr. Roosevelt's recommendation for an excess profits tax:
 Restrictions have been adopted in recent army and navy bills limiting the profits of manufacturers doing work for the government. In several spots the navy has limited profits to 7 or 8 per cent, and the army airplane makers are limited to 8. This may sound like a good profit allowance but not to a concern which has lost money for many years in anticipation of a good year or two to put it over.
 These restrictions, coupled with the confiscatory individual surtax rates, make it extremely difficult if not impossible for anyone to get rich out of defense as matters stand now without an excess profits tax.

COMMENT
 What the democrats are saying about Wendell Willkie in print does not necessarily represent what they really think. Speaker Bankhead of the house, for instance, announced the Willkie-McNary ticket formed "a weird combination" (something like the Roosevelt-Garner ticket perhaps?) but among friends Bankhead has referred to Willkie as "a formidable candidate."

Big problems confronting the school board is how much more time they should give Adolph before ordering the new geography books for the fall term.

SIDE GLANCES



"If an angry looking woman drives up and asks for me—you haven't seen me in a couple of years!"

Wreckage of Halliburton Boat Believed Found

SAN FRANCISCO, July 6 (UP)—American President lines officials yesterday announced they had received word from the S. S. President Pierce that wreckage believed to be part of Richard Halliburton's ill-fated Chinese junk had been sighted in the Pacific ocean between Honolulu and Kobe, Japan.
 The message from officers aboard the President Pierce said the ship had "passed driftwood resembling the rudder of a Chinese junk, presumably the rudder of Halliburton's junk."

Halliburton, adventure writer, and his crew vanished after setting sail from China last year in a 75-foot junk. He had planned to dock at the San Francisco world's fair after crossing the Pacific.

Courthouse Records

FRIDAY
 Marriage Applications
 STEWART-BRANHAM, Orville Harry Stewart, 24, truck driver, Resident of Klamath Falls, native of Oklahoma, Blanche Alberta Branham, 22, clerk, Resident of Klamath Falls, native of Idaho.
 Justice Court
 Ralph McKinley George. Drunken driving. \$100 fine or 30 days in jail.
 George Jara. Inadequate brakes. Case continued.
 Robert K. Hall. Giving liquor to an Indian. Case continued.
 Lindsey Lee Pompey. Drunk on a public highway. Fined \$10, and sentenced to 90 days in the county jail, suspended.
 Mildred Carnathan. Drunk in a public place. Fined \$10.

JENSEN NAMED OFFICER FOR LEGION RITES

TULELAKE—Tom Jensen, Weaverville, commander of district number two, American Legion, will be installing officer at ceremonies here July 9 when newly elected officers of Tulelake post, No. 164 will be inducted into office. Acceptance of the invitation extended to Jensen was received this week by Eddie Gresham, commander of the local post.
 A resolution endorsed by the local post and presented at a district meeting held recently in Shasta City, favoring continuation of veterans' preference in the Tulelake reclamation project until 1951 will be presented to the state and national conventions and later to congress for action if the state and national bodies approve.

Tunney to Sponsor New Youth Group

LAKE GENEVA, Wis., July 6 (UP)—Former World Heavyweight Champion Gene Tunney announced today that he would sponsor a new youth organization as a rival to the American Youth congress which, he organization financed in good many instances by the Moscow government.
 The ex-champ, spouting for a new kind of fight and asserting "patriotism," made the announcement as the congress' sixth annual convention considered resolutions condemning and approving President Roosevelt's foreign policies.

FUNERAL

LYDIA ANN GRAHAM
 The remains of the late Lydia Ann Graham, who passed away in this city on Saturday, July 6, 1940, will be forwarded by Southern Pacific, on Sunday evening, July 7, 1940, to Paradise, Calif., where the final rites will take place. Ward's Klamath Funeral Home in charge of the arrangements.

ENDS TODAY * "CHARLIE CHAN'S MURDER CRUISE" and "PALS OF THE SILVER SAGE"

SHOWER HONORS TULELAKE GIRL

TULELAKE—Miss Lois Marion Scott, daughter of Mr. and Mrs. A. M. Scott, whose marriage to Lyle Haas, Tulelake, will be an event of this month was honored with a delightfully arranged shower recently at the home of Mrs. Guy Porterfield. Mrs. Ivy Morris, Portland, and Miss Lottie Williams, Merrill, were co-hostesses.
 Small Gary and Jimmie Porterfield presented the gifts in a gayly decorated chariot. A family heirloom, a length of handmade lace owned by the family for several generations, was a gift from the bride's grandmother.
 Assisting the hostesses about the rooms were Miss Jean Scott, Miss Barbara Scott, Miss Doris Porterfield and Miss Cleone Garrett.
 Guests included Mrs. Clark W. Fenster, Mrs. Havalina, Mrs. V. Havalina, Mrs. Roy Campbell, Mrs. W. S. Edwards, Mrs. R. S. Pritchett, Mrs. L. C. Kirby, Mrs. Harold Westberry, Mrs. Ted Johnson, Mrs. Lester Porterfield, Mrs. Walter Scott, Mrs. E. R. Scott, Mrs. O. C. Pence, Mrs. Viola Nelson, Mrs. C. N. Wilkinson, Mrs. Louisa Stevens, Mrs. C. L. Vernon, Mrs. A. M. Scott, Mrs. E. C. Schweitzer, Mrs. Morrison, Mrs. Williams, Mrs. S. F. Terry, Mrs. R. Baker, Mrs. D. W. Turnbaugh, Mrs. Ivan Rose, Mrs. L. R. Jensen, Mrs. Raymond Royce, Mrs. Farnsworth, Mrs. H. S. Haas, Mrs. Rose, Miss Georgene Weschler, Miss Evelyn Nelson, Miss Beete Campbell, Miss Nola Edwards, Miss Maxine Edwards.

Dorris

Lawrence Wisely, general manager of the Associated Box and Lumber company, is enjoying a visit from his three sons of Pasadena.
 Mrs. Anna Motschenbacher has been re-appointed chairman of the welfare committee of Dorris.
 Mr. and Mrs. Dick McIntyre are enjoying a vacation visit with their parents in Eugene, Oregon.
 Mr. and Mrs. I. H. Robinson had as their guests for the Fourth of July holidays, Hugh Kerwin and family of Salem, Ore.
 Arleen Pangborn has as her house guest, Miss Bertha Dooley of Yreka.
 Dr. M. F. Clark of Redding, who practiced in Dorris for 3 months a year ago, was a visitor at the home of Mr. and Mrs. Harvey Miller last Sunday.

OBITUARY

LYDIA ANN GRAHAM
 Lydia Ann Graham, a resident of Klamath Falls, Ore., for the past 14 years, passed away in this city on Saturday, July 6, 1940, at 6:30 a. m. The deceased was a native of Cherry, Sullivan county, Penn., and was aged 83 years 2 months and 16 days when called. She is survived by her son, Irvine of this city; one daughter, Mrs. C. M. Williams of Chico, Calif.; one grandson, Irvine Jr., and one granddaughter, Colleen Graham, of this city. The remains rest in Ward's Klamath Funeral Home, 925 High street, where friends may call after 10 a. m. Sunday. The notice of the funeral arrangements will be announced in this same issue.

CHILD BORN TO TULELAKE COUPLE

TULELAKE—Mr. and Mrs. Gilbert Osborne, Tulelake, are parents of a son, born at 12:30, July 5, at the Merrill hospital. The baby, first child in the family weighed eight and one half pounds at birth. Mrs. Osborne is the former Marie Bush. Mr. and Mrs. John Bush and Mr. and Mrs. G. W. Osborne, Tulelake, are the grandparents.



COPE 1934 HOUSEHOLD ARTS, INC.

PATTERN 667B
 Tulips, one of spring's most colorful flowers! You can have them in all their variegated colors, brightening up your bedroom in this gay quilt, Dutch tulip.
 It's fun to make, too, for the patches are so simple in form—the flowers in each block are all one patch! And you can delve into your scrap bag and just use the materials as they come to hand. So, with such variety, each block is a fascinating new piece of needlework.
 Besides making a lovely quilt, one block makes a very attractive pillow top, too.
 You can use it to make your terrace or porch colorful—the design is so appropriate!
 Pattern 667B contains block chart; carefully drawn pattern pieces; color schemes; directions for quilt; yardage chart; illustration of quilt.
 To obtain this pattern send 10 cents in coin to the Herald and News, Household Arts Dept., Klamath Falls. Be sure to write plainly your NAME, ADDRESS and PATTERN NUMBER.

Glass Hits Woman In Eye at Rodeo

An emergency call for a doctor was sent out from the grandstand at the Buckaroo Days show Friday when a flying piece of glass lodged in the eye of a woman spectator.
 She was treated by Dr. Stearns, rodeo attending physician and sent into town for further attention.
 According to police, a bottle thrown against the wall of the canopied stand showered a number of spectators with the splintered glass. No one else was injured, it was said.

HOSPITAL CAR

It was announced at the local Southern Pacific offices Saturday that the S. P. hospital car from San Francisco will be in Klamath Falls Monday and Tuesday, July 8 and 9, to conduct examinations for all local Southern Pacific employes. Physical exams are being made of all employes in the Southern Pacific system.

Midland

Mr. and Mrs. J. B. Burnett and Mr. and Mrs. W. J. Burnett and son spent the weekend at the home of Mr. and Mrs. Lyle Hickman at Willow Ranch, Calif.
 Mr. and Mrs. James Olson spent Wednesday at Alturas, Calif.
 Mr. and Mrs. Oral Heavilin and son Dannie visited Mr. and Mrs. S. L. Burnett Wednesday evening.
 Jenn Holiday visited Ruth Furber Wednesday.
 Midland grange will not sponsor any dance until July 20.
 Young people of YGA held a wienie roast at the home of Mr. and Mrs. Phil Moteschenbacher Thursday evening.
 Jimmie Hickman of Willow Ranch is spending the week with his grandparents, Mr. and Mrs. James Burnett.
 Mrs. G. Heavilin of Medford is spending the vacation with her son and daughter-in-law, Mr. and Mrs. Oral Heavilin.
 The neighbors gathered at the J. B. Burnett ranch on the Fourth and held a picnic on the lawn. Everyone enjoyed a good feed and the shade.
 A number of the people from this community attended the parade and rodeo and the dance at the exhibit building in the evening. Also the fireworks which were sponsored by Shell Oil company were greatly appreciated by everyone there.

ALTURAS HOLDS RODEO SHOW

ALTURAS—Alturas entertained one of the largest crowds ever to attend a fourth of July celebration and rodeo, Thursday. No accidents marred the day.
 Frank Malarous of San Jose took first money in the horse bucking contest; "Buck" Wheeler, Idaho, second, and Ray "Slim" Brehmer who copped first money last year, was third.

FIRE DESTROYS INDUSTRIAL FIRMS

SEATTLE, July 6 (AP)—Three wooden buildings housing nine small industrial firms in the south end were razed by fire of undetermined origin early today. Fire Chief William Fitzgerald estimated the loss at \$20,000.
 Lieut. George W. Sutton, 42, sprained a leg falling 10 feet into a pile of wreckage in a burning building.
 Three alarms summoned all available equipment in the district. A railroad watchman discovered the blaze.
 Mrs. George E. Otis, asleep in an apartment in the rear of her restaurant, was awakened by falling timbers and learned the building was afire when she tried to telephone and found the wire burned out. Her belongings were saturated with water.

Weekend Roundup

THE possibility that Senator Charles L. McNary may be named vice president of the United States, and will resign his senate post, has started the political railbirds on a campaign of speculation as to what will be done about filling the vacancy if it occurs.
 One story that quickly got back to Washington was that Governor Sprague, who must make an appointment if McNary vacates his seat, would resign as governor and have his successor appoint him, Sprague, to the senate post. That kind of a "deal" has been made before in certain other states.

It is good news that Governor Sprague has declared emphatically he has no intention of participating in such a scheme. We would have been surprised if he had. Such a shenanigan would have been entirely out of character for the sober, statesmanlike man who heads Oregon's state government. And it would have been received with disapproval by the people of the state.
 Capital newspaper men have recalled that Governor Sprague criticized similar "deals" in other states. He would not be likely to be party to such a scheme himself. So that possibility is strictly "out."

It is too far away and there are too many contingencies to make any definite guesses on the particular man to whom the senate honor would be given in case of a vacancy.
 It is safe to predict, of course, that he will be a republican. Senator McNary is a republican and Governor Sprague is a republican. It is possible the governor might follow General Martin's plan and name a man for the remainder of McNary's term with the understanding he would not be a candidate for election. But that has certain disadvantages that may lead Governor Sprague to discard it.
 There are a number of outstanding republicans who would serve the state well in the senate. The governor will not be lacking in material from which to choose, if it so develops a choice must be made.

Oregonians are justly happy and proud that their senior senator, a man with a long and honorable record in Washington, has been named on the national republican ticket with Presidential Nominee Wendell Willkie. The choice was especially fortunate for the republicans, for McNary, an outstanding leader from the West who is known as an able "middle-of-the-road" republican, has potent vote-getting possibilities. It is widely conceded in Washington, where he is firmly liked, that there is no shrewder head in the senate.
 As these words are read, the holiday season will be drawing to a close, with one day of "celebrating" left. But that day will afford ample time for trouble if there are those who are careless of their own safety and that of others. It will be a final day of heavy traffic, with a preceding Saturday night when the roads will be heavily used by pleasure seekers. Why not take it easy Saturday night and Sunday, and be safe and happy on Monday?

An old-timer tells us it was Ewauna lake, rather than Upper Klamath lake, where the old-time fireworks displays were set off. We appreciate the correction. Either spot, we believe, would be a good setting for the show, although we are inclined to favor Upper Klamath, and our suggestion still stands that this site for next year's program be considered.

French Fleet at Egyptian Port are "In Abeyance"

ALEXANDRIA, July 6 (AP)—British sources here Friday described the situation of the French fleet at Alexandria as "in abeyance" and said:
 "We do not know what will happen or when the French will make a decision. We only know that no French ship shall ever leave Alexandria to surrender to the enemy."
 Naval sources emphasized the French are "deeply affected" by the fighting between the French and English warships Thursday at Oran and Mers El-Kebir, but the British declared they had the situation here "well in hand."
 Regret Expressed
 British naval circles expressed regret over the action taken against the French at Oran and the hope that no such incident would occur here.
 Thursday both Britain and French ships here blazed away in unison at raiding Italian planes.
 French commanders here have been advised formally by the British that "they cannot leave the harbor to fall into the power of the German conquerors of France."
 The British said the London admiralty had offered "fullest facilities to all French officers and men at Alexandria who wish to continue the war."
 Pay Offered
 This was interrupted here to mean that the French automati-

French Fleet at Egyptian Port are "In Abeyance"

cally would receive pay equal to British seamen if they continue to fight.
 All French officers and crews remained aboard their vessels Friday. No British had yet boarded the French ships.
 British naval sources declined to say whether French Vice Admiral Godfrey, commanding the units at Alexandria, had been given any definite time to make his decision.
 It was understood the alternatives to fighting with the British were the same as those handed the French at Mers El-Kebir.
 Want To Fight On
 Usually well-informed sources, meantime, declared that the majority of the French officers and seamen want to fight on with Great Britain against Italy and Germany.
 It was understood the British are not pressing the French for a decision at present, confident that whatever happens no French warship ever will leave Alexandria to fall into enemy hands.
 The British and French warships lying in the harbor had a community of interest in that they both were objects of attacks by Italian planes Thursday in which 15 persons were killed and seven wounded.
 Bluffing will get us nowhere—except into a war.—Raymond Moley, one-time presidential adviser.

Astronomers say an unknown planet is causing a disturbance on Uranus. Others claim the fifth column is getting more ambitious.
 The Burmese smoke cigars three times the size used by most folks. The effect this will have on German kultur is yet to be studied.
 TODAY ONLY * ROY ROGERS IN "THE ARIZONA KID"

TOMORROW! FUGITIVES OF 1939...

Hunted, Homeless... But Young, Proud... And In Love!

PRISCILLA GARFIELD • LANE "DUST BE MY DESTINY"

ALAN HALE • Frank McHugh • Billy Halop • Directed Now Completely Air Conditioned

RAINBOW

DIAL 5562

TOMORROW! AMAZING... BUT TRUE! FANTASTIC... BUT REAL! INCREDIBLE BUT IT HAPPENED!

Peter LORRE in "ISLAND OF DOOMED MEN" with ROCHELLE HUDSON

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THE OOMPH GIRL MEETS HER MATCH!

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PINE TREE NOW PLAYING

YOUR FAVORITE STARS OF "THE AWFUL TRUTH" ...In each others arms (and hair) AGAIN!

IRENE DUNNE • GARY GRANT

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