

Happy NEW YEAR

MAGAZINE PAGE

Feature stories, both local and otherwise, and interesting pictures gathered from near and far, make up The Herald and News weekend Photomagazine page. You'll find this weekend feature worth reading.

The Evening Herald

ASSOCIATED PRESS

IN THE SHASTA-CASCADE WONDERLAND

UNITED PRESS

PRICE FIVE CENTS

KLAMATH FALLS, ORE., WEDNESDAY, JANUARY 1, 1941

Number 9172

WEATHER

High 34; Low 18

PRECIPITATION

24 hours to 8 a. m. .00
Season to date .420
Normal precipitation .448
Last year to date .628



FROST

CURB ON INFLATION TREND EYED

Marooned Crews Rescued

In The Day's News

By FRANK JENKINS

AT this season it is the habit of men (and long has been) to look backward at the old year with relief and forward to the new year with hope.

This year of war is no exception.

HITLER'S hope, as carried in the dispatches:

"1941 will bring completion of the greatest victory in our history."

Churchill, to the British people:

"We will repay the Germans with interest for their devastations. There will be no peace until we have beaten them."

STALIN, Sphinx-like as usual, hopes for a world in ruins, bled white by wars in which he has not fought, whose bones he can pick with ease.

MUSSOLINI is silent, his present hopes unspoken.

It is always the hope of the jackal, however, not to be cuffed too severely by the lion until he has had time to stay the pangs of his hunger with the leavings from the lion's kill.

When cuffed, he licks his wounds and waits.

A FEW Americans still hope for peace, for tolerance, and for the advancement of human welfare that comes with sustained peace.

If you were to count up all the years in which the world has been at war and all the years in which it has been at peace, you would find the sum of the war years staggering and the sum of the peace years small.

Still, through it all, human welfare has advanced—not with measured and inexorable progress, as time advances, but fitfully, as one climbs a snow-capped mountain, with alternate slippings back and dashes forward.

The lesson of history is that human welfare slips back in war and dashes forward in the intervals of peace.

HOPEFUL thought for the new year:

Measuring the gains of the brief intervals of peace against the losses of the long periods of war, we find that the GAINS HAVE EXCEEDED THE LOSSES.

A king of France (not too long ago as history reckons time) rode down the street surrounded by acrobatic courtiers and followed by an armed guard. Pointing to a humble workman on a roof, the king ordered: "Shoot me that varlet."

A man-at-arms fitted a bolt to his crossbow, took aim and loosed his missile. The workman, pierced through his vitals, relaxed his hold, rolled down the roof and his body struck the hard ground with a thud.

The king and his courtiers, laughing uproariously, rode on.

FOOLISH people get together and talk wistfully of the "good old days." Even if you

(Continued on Page Two)

500 VICTIMS OF NAZI SEA RAIDS FOUND

Prisoners From Wrecked Ships Left on Island by German Warships

CANBERRA, Australia, Jan. 1 (AP)—Vivid stories of months in crowded quarters aboard German raiders came today from 496 men, women and children brought to Australia after being marooned by their Nazi captors on a lonely Pacific island.

Seventy women and seven children were among the passengers and crew members from British, Norwegian and other ships rescued by Australian vessels from Emirau Island, in the Bismarck Archipelago just south of the equator.

Others Still Held

Those rescued and brought to Australia were landed at Emirau by the Nazis Dec. 21, presumably because of difficulty in feeding them.

Among them were survivors from the British ships Rangitane, Komata, Triaster, Triade, Triona and Holmwood and the Norwegian ship Vinna—all sunk by gunfire of German raiders.

Still held by the Germans, they reported, were survivors from the British ships Turakina and Ringwood and the French vessel Notou.

Captains and crew members brought to Australia said they were warned by their captors that they would be shot if they were again caught aboard armed ships.

On several occasions, from their prison quarters below deck, the survivors said, they heard gunfire as the German craft attacked other ships.

SINGAPORE, Jan. 1 (AP)—A series of blows against Pacific shipping over a period of "some months" by German raiders was disclosed today in an Australian naval board announcement of the rescue of 500 persons, comprising passengers and crews of 10 sunken ships, from an island in the Bismarck Archipelago.

The 500, including 70 women and seven children, were landed Dec. 21 on Emirau Island in the Archipelago by the German raid.

(Continued on Page Two)

London Cries Defiance As 1941 Dawns

LONDON, Jan. 1 (AP)—Londoners greeted the new year grimly today with shouts of defiance to Adolf Hitler from blacked-out streets pockmarked with the ruin of repeated bombings.

Neither the scarred capital nor any other section of Britain reported new bombings or raiders overhead throughout the night. The RAF, too, was said to have stayed home.

No Truce

But this time there was no talk of an undeclared truce like at Christmas. Instead, observers said the weather apparently was just too bad for air activity on either side of the channel.

As Old Ben struck the 12 notes (Continued on Page Two)

RUMOR OF FRENCH NAZI RIFT HEARD

Report Says Negotiations Over Vichy Role in "New Order" Ended

LONDON, Jan. 1 (AP)—A Reuters, British News Agency, dispatch from Lisbon today said Chief of State Marshal Philippe Petain's Vichy government and Germany had broken off negotiations.

(The Associated Press has received no confirmation of this report from other sources. A dispatch from Vichy reporting Marshal Petain's New Year reception of foreign diplomats gave no indication of fresh French-German troubles.)

Authoritative quarters here said "all reports of this character should be treated with reserve." No confirmation was available in London.

Negotiations looking toward collaboration of the Petain government with Germany have been in a virtual stalemate since Dec. 14, when the old marshal ousted Pierre Laval, his vice premier and foreign minister, from his government.

Until then Laval had been chief negotiator with the Germans. He was replaced by Fernand de Brinon, designated chief representative for Petain in Paris.

After conferences between (Continued on Page Two)

YEAR-END CAR WRECK BOOSTS DEATH FIGURE

James Williams Fatally Injured as Train Smashes Auto

The year 1940, amid joyous shouts of hundreds of celebrants, ended on a grim downbeat in Klamath county Tuesday night when James D. Williams, about 40, was fatally injured in a train-car crash one mile east of Merrill.

Williams, a Merrill farm worker, died shortly after rescuers lifted his torn and bleeding body from the crossing where his car was struck by a north-bound Great Northern freight.

The tangled mass of wreckage which shortly before had been his car was found 1500 feet from the point of impact.

Rushed to Doctor

Frank Adams, pioneer Klamath county farmer whose ranch lies near the crossing, rushed the injured man to Dr. F. E. Trotman where it was found he was dead of head and chest injuries.

Williams was an employee on the farm of Dwight Eagles near Merrill and lived on the farm. He was alone in his car.

Engineer Joe Smith of the freight train said he saw Williams' machine approaching from around a curve and blew his whistle frantically when he realized the car was not going to stop. A moment later the car drove directly in front of the speeding freight. Smith said he was going about 45 miles (Continued on Page Two)

29 Klamath Auto Toll in 1940

mass of wreckage which shortly before had been his car was found 1500 feet from the point of impact.

Rushed to Doctor

Frank Adams, pioneer Klamath county farmer whose ranch lies near the crossing, rushed the injured man to Dr. F. E. Trotman where it was found he was dead of head and chest injuries.

Williams was an employee on the farm of Dwight Eagles near Merrill and lived on the farm. He was alone in his car.

Engineer Joe Smith of the freight train said he saw Williams' machine approaching from around a curve and blew his whistle frantically when he realized the car was not going to stop. A moment later the car drove directly in front of the speeding freight. Smith said he was going about 45 miles (Continued on Page Two)

New Year Death Toll Over 50

By The Associated Press

More than 50 persons died by violence in the process of celebrating New Year's advent in America.

Traffic accidents accounted for at least 42 deaths and fires, shootings, stabbing and similar causes for 15, an Associated Press survey showed at 11 a. m. (EST) today.

Car Demolished By Train, Driver Killed



Dr. George Adler, coroner, is shown examining the twisted wreckage of the automobile in which James D. Williams was killed at a Great Northern grade crossing one mile east of Merrill. A freight train carried Williams' car 1500 feet from the point of impact.

Tillotson and Blohm Foresee Favorable Conditions Within Basin Area in Coming Period

A favorable outlook on the new year was viewed Wednesday in statements made for The Herald and News by Mitchell Tillotson, manager of the First National bank branch here, and Godfrey Blohm, manager of the United States National bank branch.

Some strengthening of agricultural commodity prices, continuance of employment at a relatively high level, and advancement through good leadership, are points stressed by the two banking authorities.

Tillotson's statement:

"In this territory business conditions during the past year have closely followed the general trend throughout the United States, starting the year on a slow beat but finishing on an accelerated tempo which raised the general level to one of the high points of the past ten years."

Payrolls High

"Payrolls have been at exceptionally high levels in this territory due to a number of factors, the principal ones being the increase in the volume of tonnage handled by transportation systems operating in the territory, the increase in the volume of lumber orders over the last four months and improved methods of lumber manufacturing and handling on the part of mill operators."

"While the agricultural situation has not been as bright as had been hoped due to low prices paid for three or four principal agricultural commodities in the territory, the average level of prices has been fair."

It is difficult to prognosticate business conditions for a period of twelve months, but it would appear at this time that during most of 1941 at least employment should continue at high levels in this area.

Defense Orders

"Lumber production will depend largely upon continuance of government orders. This fact leaves any definite forecast with reference to the lumber price and production very indefinite as continuance of such orders is dependent upon many uncertain factors. It would appear, however, that a fair volume of business would be developed and that the territory might expect continuance of a reasonably large portion of 1940 business throughout most of 1941."

"For the first half of the year at least it would also appear that livestock should continue to be the brightest side of the agricultural picture, and government forecasts as well as western forecasts indicate the probability of the continuance of fairly strong prices for livestock through the first half of the year at least."

"Some strengthening of other agricultural commodity prices seems indicated by the present levels of consumption and probable increases in employment throughout the country."

"Locally, continued stress should be placed, we believe, on expansion of agricultural activities, improvement of agricultural methods and of farm lands and upon expansion of industry."

(Continued on Page Two)

Mercury Drops to 19 New Year's Day

The first day of 1941 dawned bright, clear and pretty nippy. The mercury fell to 19 degrees in the early hours, going little higher than the freezing point during the day.

Forecast for the next few days was for frosty weather, becoming cloudy.

There were no accidents on the first day of the year according to a check with hospitals as late as 12 o'clock noon.

25 YEARS AGO TODAY

By The Associated Press

Jan. 1, 1916—Allied fliers bomb Ostend. Allies capture Yaounde in Africa. Turks ask British for short truce to bury their dead. German offensive opens in Galicia. Germans capture British trenches near Hulloch.

One New Year Birth Reported

Klamath's first New Year's baby was born at Klamath Valley hospital when little Zoni Marie Taylor, weighing 8 pounds 5 ounces, arrived at 4:45 a. m. to make her home with Mr. and Mrs. J. W. Taylor of Shasta way.

This was the only New Year's day birth recorded up to noon Wednesday, according to a check with local hospitals.

REPEAL ASKED FOR CURRENCY CONTROL LAW

Restriction of "Greenback" Printing Urged in First Report

WASHINGTON, Jan. 1 (AP)—The federal reserve system recommended repeal of presidential powers to revalue the dollar and issue "greenback" money today in a program designed to prevent the inflation—and higher prices—which might result from huge defense spending.

Also advocated among the proposals requiring congressional approval was a gradual increase in taxes until the federal budget is "balanced," or, in every day language, until government tax collections can pay for the government's expenditures.

Chairman Marriner S. Eccles of the federal reserve board, in making the proposal public, said it was purely of a precautionary nature. He added it had the unanimous approval of the members of the federal reserve board, presidents of the 12 federal reserve banks, and the federal advisory council, which represents the 7000 individual banks belonging to the federal reserve system.

Briefly, the plan called for technical measures to prevent use of most of the \$7,000,000,000 idle money now in banks for excessive loans; a reversal of administration policy in some monetary fields, and finally the eventual balancing of the federal budget through higher taxes.

The report—first of its kind ever made—explained that "vast expenditures of the military program and their financing create additional problems in the monetary field which make it necessary to review our existing monetary machinery and to place ourselves in a position to take measures, when necessary, to forestall the development of inflationary tendencies attributable to defects in the machinery of credit control."

Price Rise

"These tendencies, if unchecked, would produce a rise of prices, would retard the national effort for defense and greatly increase its cost and would aggravate the situation which may result when the needs of defense, now a stimulus, later absorb less of our economic productivity."

The plan was listed in five points, as follows:

1. Immediate increase by congressional action of deposit reserve requirements on all federal reserve member banks; authorization for the federal reserve board to double these requirements if necessary in the future; make all banks, whether chartered by the federal government or states, subject to these requirements.

2. Remove president's power to change gold value of the dollar; repeal treasury authority to issue \$3,000,000,000 of (Continued on Page Two)

BRITISH PLANES BLAST TARANTO

Fierce Raids Strike at Italian Bases From Bardia to Naples

CAIRO, Jan. 1 (AP)—British planes in a series of fierce raids around the central Mediterranean from Bardia to Naples, Italy, pummeled several of Italy's major bases and ports, including Taranto, the RAF command announced today.

At Taranto, where the British said they crippled half of Premier Mussolini's six battleships on November 11, today's communiqué said 11 bombs were seen to fall around fascist warships.

Harbors Hit

In these far-flung forays, carried out Monday night, the British reported the harbor of Palermo, in Sicily, Valona, the Italians' chief supply port in southern Albania; Torre Del Annunzio (Continued on Page Two)

ASCAP Music Banned By Big Radio Networks

NEW YORK, Jan. 1 (AP)—Much of the music composed in the last half century disappeared with the passing of the old year from three-fourths of the nation's radio stations, including the three major networks.

The American Society of Composers, Authors and Publishers and the National Association of Broadcasters formally severed contractual relations at midnight, with no sign of immediate renewal in the offing.

The issue on which they were unable to agree was the method and amount of future payment for the right to use ASCAP-controlled songs on the air. There were counter-accusations of blocking negotiations that might have brought a truce.

Among ASCAP tunes which are now missing on the affected air waves are "God Bless America," "Old Man River," "Sylvia," "The Last Round-up," "Happy Birthday to You," "Sweet Adeline," "St. Louis Blues," "My Wild Irish Rose," musical-comedy tunes by Rodgers and Hart and marches by John Philip Sousa.

News Index

City Briefs Page 5

Comics and Story Page 6

Courthouse Records Page 4

Editorials Page 4

High School News Page 4

Information Page 2

Pattern Page 4

Sports Page 3