

# FORGES PLACED UNDER CONTROL OF U. S. CHIEF

(Continued from Page One)

Douglas MacArthur, former chief of staff of the army.

The war department announced the action shortly after President Roosevelt at Hyde Park ordered all forces of the Philippine commonwealth made a part of the army of the United States.

MacArthur since 1935 has directed the training of Filipinos in preparation for independence, and holds the rank of field marshal.

Recalled to service in the United States army, he will hold the temporary rank of lieutenant general. Thus, he will be superior to Major General George Grunert, commander of the army's Philippine department.

General MacArthur, a World War hero, will head a force of about 75,000 men, the war department said.

The announcement said President Roosevelt had created a new command, designed the United States army forces in the far east, and ordered the military forces of the commonwealth of the Philippines into the service of the United States.

## Hague Turns Jersey Democratic Reins Over to Governor

JERSEY CITY, N. J., July 26 (AP)—Mayor Frank Hague has handed the leadership of the democratic party in New Jersey to Governor Charles Edison so that "the people may be able to judge impartially" their feud over a railroad tax settlement.

"There must be no question of Edison versus Hague," he said in a statement announcing his bold action last night.

Edison promptly rejected the idea because, he said, "the mayor is presuming to give me something which is not within his power to give. That leadership is only within the gift of the democratic voters and workers of the state."

Hague made clear that he was not abandoning political activity in his home stronghold of Hudson county, nor did he intend to relinquish the vice chairmanship of the national democratic committee. He has been acknowledged leader of the party in New Jersey for 25 years but does not hold an office in the state organization.

The Hague-Edison controversy started when Edison signed into law four bills passed this week by the republican-dominated legislature. The bills provided for payment by the railroads of \$34,000,000 in delinquent taxes and waiving by the state of \$18,000,000 in interest and penalties.

## Navy Prepares to Man Defense Job

By The Associated Press

The United States navy prepared today to put civil service workers on \$2,000,000 worth of defense projects at Key West, Fla., if more than 800 striking laborers continue to stay away from their jobs.

Lieut. Albert J. Fay, public works officer of the Florida naval station, said a compromise offer increasing pay of the workers by 10 cents an hour, to 50 cents hourly, had been made and that if it were not accepted the navy would bring in civil service workers from various places in the country and take the work over from private contractors.

## Raw Silk Stocks Frozen in U. S.

WASHINGTON, July 26 (AP) E. R. Stettinius Jr., defense director of priorities, issued an order today freezing all stocks of raw silk and limiting its manufacture to levels set during this week.

The order was issued because of a threatened shortage due to "unsettled conditions in the far east," Stettinius said.

It forbids the delivery or acceptance of raw silk except by authorization of the OPM. It applies to mills but does not prevent deliveries from ships to importers.

Last year, Japan supplied 81 per cent of the silk used in the United States.

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## CITY BRIEFS

**Reno Licenses**—The following marriage licenses were issued in Reno Saturday, Ernest Akin, 20, and Earlene Withrow, 19, Klamath Falls; Hoard Joneschiet, 35, and Muriel Smith, over 21, Bly; Donald M. Robertson, 21, Klamath Falls, and Marjorie Hanson, 18, Alturas; Leo Lee, 23, Dorris, and Betty Rutledge, 18, Klamath Falls; Newton Justis, 23, and Helene Boehm, 20, Lakeview.

**Moving**—Mr. and Mrs. Allan Stansbie of Pine street were moving household effects to Ashland Saturday. They recently purchased a home in the valley city and on Thursday spent the day in Ashland.

**Return**—Mr. and Mrs. Headrick Baughman have returned to their home in Klamath Falls after spending several days visiting Mr. and Mrs. Clint Baughman of Ashland.

**Visit Here**—Mrs. N. W. Heard, Dorothy Fridger and Weldon Heard, returned to their homes in Ashland Friday after spending several days in Klamath Falls.

**To Ashland**—Mrs. James Sewell has returned to her home in Ashland after visiting in Klamath Falls for a short time.

## Investigators Make Plans for Water Hearings

The investigatory commission here to study the excess water charge question visited Langell valley Saturday and made final preparations for opening hearings Monday morning in the federal building.

First hearing is scheduled at 9 a. m. Monday when the Enterprise district presents its views.

It was learned Saturday that Governor Charles A. Sprague has asked the state engineer's and attorney general's offices to assist Klamath irrigators in their presentations before the commission.

State Engineer Stricklin will be here for the meetings.

## Sprague Extends Aluminum Drive

SALEM, July 26 (AP)—Gov. Charles A. Sprague extended Oregon's drive to collect scrap aluminum for defense use to August 2, an extra week, today to permit universal participation.

Each community was urged to keep a record of the weight of metal collected.

"Oregon's response to this national plea has been magnificent to date and is the first test of the effective functioning of our civilian defense organization," the governor said.

**TILLAMOOK**, July 26 (AP)—In Tillamook county's collection of aluminum this week, was a teaspoon, labeled "Made in Germany" and scratched with the letter "V". The housewife, who contributed it, said she added the victory symbol.

## Midwest Still in Grip of Heat Wave

By The Associated Press

From its perch near the 100-mark, the mercury thumbed its nose at a wilting middle west today and made no move to come down.

Continued warm and humid weather in most of the midlands Sunday and Monday was forecast as the scorched area counted at least 11 heat deaths, six by prostration and five by drowning.

Locally cooler weather was likely in the lower Ohio valley and extreme northern sections and cooler air was moving out of the Rockies along with thunderstorms, but observers set no date for general relief.

**AID REPULSED**

LONDON, July 26 (AP)—The British declared that "about a dozen" axis torpedo boats were sunk today in an attempt to attack the harbor of Valletta, on Britain's Mediterranean island base at Malta.

**TOO LATE TO CLASSIFY**

NEW HOME in St. Francis park. Will sacrifice \$800 equity for cash. Hardwood floors. Kitchen with breakfast space. Large service porch with lifoleum floor. 2 large bedrooms. Lawn, garden in. See it Sunday at 4461 Boardman St. 7-26

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# EVEN LOSS OF MOSCOW WON'T STOP SOVIETS

By DEWITT MACKENZIE

With the continuance of the fierce Nazi pressure against the Russian battle line we would seem to be nearing rapidly a crucial operation which will give us a better gauge of the efficiency of the red military organization and the accuracy of the persistent German claim that the bolshevist army is on the point of dissolution.

I refer to what looks like the impending necessity of widespread Russian withdrawals for the purpose of straightening their vast line and the reforming of fresh defenses farther east—a movement which represents one of the most difficult that any high command can undertake.

The developing of such a great retirement will present the Nazis with the opportunity for offensives which might easily turn an orderly strategic withdrawal into a debacle unless it is carried out with consummate skill. Thus the outcome of the Russo-German war must depend on whether the red army can retain its mobility—and its morale.

While the bolsheviks have been doing a magnificent job of holding their lines against superior German strength, it would be too much to expect that this defense could continue along the present front.

We have the great salient thrust into the center of the Russian line to the grave danger of the defense; the Nazi drive against Leningrad has created the threat of a turning movement on the northern end of the line; and just now on the southern part of the front the Germans are making a swift thrust down the Dnieper river which is calculated to cut off a large Russian force.

Meanwhile the Germans continue sweeping claims of widespread destruction of red fighting units, even up to the size of a division of 15,000 men. This is being achieved by the use of swiftly driving tank units which encircle bodies of Russian troops and hold them in this steel trap while the heaving Nazi bombers slaughter them or force their surrender.

In this manner the invaders are carrying out their announced purpose of destroying the red army. And the way the fighting is going it's apparent that the Nazis are, as they claim, more bent on this grim and bloody business than on the capture of cities. The fall of the cities will be automatic if the fighting men are wiped out.

So, taking it all in all, it is reasonable to assume that it won't be long before the Russians will be thrown back, or have to withdraw to new lines. Fresh troops must be available now from the recent mobilization to support such a movement.

In due course the red line likely will move to the east of the capital, abandoning western Russia to the enemy. That line perhaps will follow roughly the line of the Volga river.

However, such a great withdrawal needn't represent an irreparable disaster, or anything like it. As already indicated, if the bolsheviks can retain their mobility and make an orderly withdrawal in the face of heavy German offensives, we shall find the defenders facing west when the Nazis have consolidated their position in Moscow.

If I'd ever gotten even, I'd have quit. But I never did.—Sad summary of horse-betting by William D. Sahn of Chicago, charged with embezzling \$260,000 to lose on the ponies.

# Well, Well, Look Who's Here!



Occupants of a Los Angeles house had two unexpected guests when this airplane landed on their roof. Pilot and passenger in the plane, low on gas and lost in a fog, escaped death by "pancaking" the plane onto the rooftop.

## HOUSE COMMITTEE FINISHES TAX BILL

(Continued from Page One)

committee said, however, that there was "increasing evidence that this burden will be borne cheerfully in the light of the overwhelming importance of national defense to the continued freedom and security of the United States."

### Economy Asked

The 10 republican members of the committee issued a report on the bill yesterday in which they said they had no alternative but to support the "general objective" of the bill. However, they assailed the non-defense spending policy of the administration and called on President Roosevelt to take personal charge of efforts to effect economies.

The majority said that while it had kept constantly in mind the need for applying "a needed restraint on inflationary tendencies" resulting from the defense spending program, the principal has been "the procurement of revenue."

The committee took issue with those who have contended that the bill's provision requiring married persons to file joint returns would encourage divorce.

Filing separate returns is permitted under the existing law, and the committee recommended that this be prohibited to prevent married persons from evading the higher surtaxes proposed in the bill.

Three democratic and two republican members of the committee criticized the joint return provision in a supplemental report, saying that it was "not only unsound but definitely unconstitutional."

Republican members of the house ways and means committee expressed their criticism in a minority report on the measure, distributed by the republican national committee, but acknowledged they had "no alternative but to support the general objective of the bill."

Asserting it was obvious that a substantial increase in the tax burden was imperative to finance the defense program and protect the credit of the nation, the committee said the taxpayers must be "painfully aware" that the ability of the government to finance the defense program had been "greatly im-

# ECONOMIC WAR BLOWS STRUCK BY BOTH SIDES

(Continued from Page One)

Shanghai's famous international settlement completely, where British, French and United States have extra-territorial rights.

The Japanese also hold extra-territorial rights in the settlement and it was in the part their forces control that the settlement today had another of its many "incidents." A gunman believed to be Chinese wounded a Japanese marine.

The Japanese announced their economic moves about the time that the command of their forces of occupation moved into southern French Indo-China under an agreement negotiated with the axis-dominated Vichy government of France. Full commitments of naval, land and air forces were expected to follow, starting Sunday.

It was this agreement for "joint defense" of Indo-China which touched off the economic struggle.

American circles at Shanghai said Japan probably would occupy the international settlement and the French concession, the principal parts of the city which, out of deference to extraterritorial rights of occidental powers, had been left unoccupied when the Japanese invasion of China enveloped Shanghai.

The French concession and the international settlement were likely to be yielded without resistance.

The first is under the administration of the Vichy government whose capitulation to the Japanese plan of "joint defense" of French Indo-China was followed by the economic counter-steps of the British and Americans against Japan.

The international settlement is virtually undefended and indefensible against the thousands of Japanese already in Japanese-controlled parts of the city. The settlement is garrisoned by the fourth regiment of United States marines and has a corps of lightly armed volunteers whose functions have been of a police nature.

Japan was held likely to take over the third power areas through the Tokyo-sponsored Nanking government for China which has long threatened to abolish foreign holdings.

The British and Americans indicated they still had many a trump to play in the economic game. The controversy promised to become a series of retaliations and counter-retaliations.

The British followed up their freezing of Japanese funds by suspending all commercial treaties with Japan, according to a reliable London informant. The United States on Jan. 21, 1940, let lapse her own 28-year-old treaty of commerce and navigation with Japan. Trade since then had been on a day-to-day basis.

The supreme weapon of the economic arsenal of Britain and the United States remained unused—total blockade. Economic experts in London said that this could bring industry to its knees in six months. The British press called the British-American moves proof that the policy of appeasement was dead.

## OBITUARY

**MARGARET JANE ABEL**

Margaret Jane Abel, of the last 10 years a resident of Tulelake, Calif., passed away in this city Saturday, July 26, 1941, at 2:30 a. m. following a brief illness. She was a native of Indianapolis, Ind., and at the time of her death was aged 48 years 8 months and 21 days. Surviving are her husband, Raymond Abel of Tulelake, Calif., and one sister, Mrs. Elizabeth Rose of Martinsville, Ind. The remains rest in the Earl Whitlock funeral home, Pine street at Sixth, where friends may call after 4 p. m. Monday. Notice of funeral to be announced later.

## MANY ACCIDENTS, ONE INJURY LISTED

One person was injured and a number of cars damaged in accidents Friday and Saturday, according to police reports. Willis Robinson, 23, 433 North Tenth street, was injured when his car and another machine bearing a Washington license were involved in a crash at North Tenth and Main streets. Robinson said the driver of the second car failed to stop at the scene of the accident. His injuries were not serious.

A second hit-and-run accident was reported Friday by Constance Hannon, route 2, box 711, when she told police she and her mother were driving on South Sixth street when a car knocked their machine in the ditch. License number of the second machine was given officers who are investigating.

Machines said operated by A. D. Wainright, 80, city, R. C. Miner, Modoc Point, B. A. Wilson, Chiloquin, and A. M. Cherry, 1829 Lakeview street, were involved in an accident on highway 97 as one of the cars attempted to pass on a curve. The machines sideswiped. There were no injuries.

Richard W. Rupe, 36, Beatty, Weyerhaeuser Timber company employe, and Rollin A. Cantrill, 2452 Berkeley street, were involved in an accident Friday at Main and Sixth streets. Slight property damage resulted.

Arthur Holst, Esplanade Courts, told police his car and a second machine were involved in an accident on South Sixth street between Klamath and Walnut avenues Friday. A. J. McManus, timber faller, and a parked car owned by the Douglas Motor company, were involved in a traffic crash Friday on Friday another accident was reported by Merrill A. Radgen, 3202 LaVerne street, and Mrs. Fred B. Mueller, route 1, box 838, when their cars were involved in an intersection collision at Eleventh and Main streets.

**DUEL CALLED OFF**

**BUENOS AIRES**, July 26 (AP) Deputy Daniel Videla, conservative, and Deputy Emir Mercader, radical, called off late last night their proposed duel growing out of a dispute over the United States black-listing of pro-Nazi firms in South America.

**HOMeward BOUND**

**LISBON**, Portugal, July 26 (AP) The U. S. navy transport West Point, dim in her gray paint, slipped away from Lisbon harbor tonight with her passenger list of expelled United States consuls, employes and their families from the axis and axis-occupied countries of Europe.

## Lake County Ram Sale Head Named

LAKEVIEW, July 26 (AP)—The Lakeview wool committee has named W. H. Leehmann, Lake county wool grower, chairman for the southern Oregon ram sale here Sept. 17. The sale will be sponsored by the Oregon Wool Growers' association.

Great Salt Lake, in Utah, is more than four times as large as the Dead Sea.

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