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Number 9849

WEATHER

High 81, Low 47
PRECIPITATION
24 hours to 8 a. m. 0.00
Season to date 13.98
Normal precipitation 12.08
Last year to date 17.02



GERMANS RAID ATLANTIC LANES

In The Day's News

By FRANK JENKINS

NOTE carefully, please, that up to noon today there has been no shooting in the south Pacific. To this unofficial and strictly amateur guesser, that looks like fair proof that unless something slips there will be no shooting there for the present.

THE Japs have probably figured it out that this is a good time to pick up the loot that is lying around loose in their vicinity.

Indo-China falls clearly into the class of loose loot. It belongs to France. France is licked and helpless. Nobody needs to fear France—least of all Japan. Hitler isn't interested in France's Asiatic possessions.

Indo-China looked like easy picking.

BUT that isn't all.

If Hitler wins, Indo-China (and Thailand, if she can grab that too) will be a good jumping-off place for a Japanese attack on Singapore, the Dutch East Indies, the Philippines, Australia, etc.

If Hitler loses, Indo-China will be fine trading stock for the Japanese in arriving at a satisfactory settlement with the British and the United States (for we're into this world empire game now up to our necks).

Neither Britain nor the United States wants war in the Pacific while the supremely important battle of the Atlantic is still undecided.

Altogether, it looked to the Japs like a GOOD TIME TO GRAB.

ALL this, of course, is the purest kind of guesswork. But it looks like a good guess. If the Japs meant business, and were going after Singapore and the Dutch East Indies and the Philippines immediately, and London and Washington knew it, the time to start shooting would be RIGHT NOW, before Japan can get dug in and established at her new bases in Indo-China.

The fact that shooting hasn't started yet indicates that London and Washington don't believe the Japs mean business now. In that event, the rough talk last week was for the purpose of pointing out to the Japs the point beyond which it WON'T be safe to go.

AS to Russia, you'd better hold everything for the present. The situation there is so confused and the fighting is spread over an area so VAST that anything can happen.

The Germans are still driving panzer spearheads into the Russian line, trying to surround and destroy large bodies of Russian troops. The Russians are working the same game on the Germans wherever they can. Both are having at least limited successes. And it is becoming obvious that the Russians are proving to be smarter fighters than Hitler expected.

But it is too early to draw any conclusions. The present confused situation could come to a head and change almost over night.

This is no time for wishful thinking.

REALISTIC Churchill is plainly scared of wishful thinking in England.

Today he delivers another of his blunt warnings of an invasion attempt in September—which, he points out, is the invasion season. He cautions the British to keep their belts pulled.

Looking Backward

By The Associated Press

July 29, 1940—British night bombers raid 17 Nazi airdromes. Germany gives Rumania six weeks to settle territorial differences with Hungary, Bulgaria.

July 29, 1916—Russians press drive against Lwow. Threezepelins raid east coast of England.

Japan Eyes Siam

U. S., BRITISH ARE RISKED IN PLAN, REPORT

Offers of Land From Indo-China Given To Thailand

By The Associated Press

Japan's swing to the south assumed an even broader aspect today, risking new Anglo-American resentment.

A Reuters (British News Agency) report from Bangkok, said Japan had offered Cambodia and Laos, which are part of French Indo-China, to Thailand (Siam) in return for her allegiance to Japan's "new order" in Asia.

Such a division of Indo-China would violate the French-Japanese protocol signed in Vichy today, which pledges Japan to "respect the territorial integrity of French Indo-China and the sovereign rights of France over all parts of the Indo-Chinese Union."

British authorities in Shanghai said today they would protest if Thailand were forced to grant special privileges to any third power—obviously, a reference to Japan—and they scoffed at Tokyo broadcasts that British forces in northern Malaya were an active threat to the Thai.

Informal Shanghai quarters were unable to confirm reports that Japan had severed demands for Thailand, but observers recalled that Tokyo made similar charges of outside "threats" just before making demands for bases in southern Indo-China.

In Washington, the state department silently followed the course of events, and White House supporters in the senate urged that the administration hold unwaveringly to its far east policy.

Senator Pepper (D-Fla.) declared bluntly that "now is the time to let Tokyo know whether we mean business. Tokyo, unhappily, knows no language except force."

Japan's occupation of southern Indo-China went into high gear as warships and troop transports brought garrison troops and military supplies into Camranh Bay.

Other developments in the far east crisis indicated that an explosive climax may be forthcoming soon:

1. In Shanghai, American officials reported that Japanese sentries had been stationed outside American Oil company properties at Tsingtao and Dairen, halting all business.

2. In Sydney, Army Minister (Continued on Page Two)

Klamath Unruffled By Threatened Lack Of Silk Stockings

Klamath Falls women failed to make any demonstration of fear as far as their hosiery supply was concerned, although many were heard to remark they were "going to lay in a box or two" of stockings following the announcement that the government had frozen all Japanese assets and the silk supply now on hand would be exhausted after a period of six or seven months.

In Portland and San Francisco women jammed the hosiery counters in downtown stores, fearful that freezing of Japanese credits would make silk stockings scarce. Store managers said, however, that eastern manufacturers had assured them of a continued supply.

On one hand stocking users were "absolutely sold" on nylon hosiery, on the other hand was the school which would wear nothing but pure silk stockings. A very mild run on silk hosiery was reported by various Klamath Falls merchants, but not enough to cause concern over stocks on hand.

Large Cargo Of Silk Still Held at Sea

SAN FRANCISCO, July 29 (AP)—Officials of the Japanese Nyk line are seeking further assurance that their ships will not be held up indefinitely in United States ports, before bringing the big liner Tatuta Maru and other vessels into American harbors.

Nyk line officers met with customs authorities today and said they would like "a little more security" on the status of cargoes, and definite assurance their ships would be permitted to take cargo back to Japan, if desired.

The Tatuta Maru, which should have arrived here last Thursday, carries \$2,500,000 worth of silk.

Sumner Welles, acting secretary of state, said in Washington today that under the credit freezing order Japanese would have to obtain individual licenses for purchase of fuel for their ships, food, and other supplies needed by Japanese vessels in American ports. There was no assurance, he declared, such licenses would be granted.

KNOX TESTIFIES BOMBS DROPPED

Depth Charges Used When Sub Feared, Secretary Says

WASHINGTON, July 29 (AP)—A senate naval committee report, released today, quoted Secretary of Navy Knox as testifying that the captain of a United States destroyer dropped three depth bombs off the coast of Greenland when he believed he was in possible danger of attack from a submarine.

Knox's testimony was contained in a report by the committee which recommended that no further investigation be made of newspaper reports of "shooting" by American naval units in the Atlantic and convoying of British merchantmen.

"One United States destroyer operating off Greenland heard the SOS of a steamer and proceeded to the location and picked up 60 of the survivors of the steamer," Knox was quoted as saying.

"While engaged in this act of mercy, the operator of the listening equipment reported to the captain that he thought he heard a submerged submarine."

"The captain immediately turned toward the direction indicated and dropped three depth charges. In doing this, he very prudently exercised the right of self-preservation, for had there been a submarine there, his destroyer might have been sunk."

"There was no other evidence that a submarine was there and it is quite possible no submarine was there. The listening equipment echo might have been received from a whale or a large fish, or a cold current, instead of a submarine—something which is frequently experienced."

The amendment was attached to a much-amended bill ordering "freezing" of government loans stocks of wheat and cotton.

KID PROPOSES TO AID STUDY OF IRRIGATION

District Backs Plea For Beneficial Use Ruling

Assurances that the Klamath irrigation district would be willing to cooperate in "any reasonable way" in determining the proper duty of water on the Klamath project were given Tuesday by William Ganong, attorney for the KID, at the federal building hearing on "excess water charges."

Ganong spoke at the conclusion of the KID testimony before the special investigating commission, in which the directors of the Klamath district added their weight to the appeal for beneficial use as the ruling principle governing water supply to irrigation lands.

"In the course of the hearing," said Ganong, "the commissioners have made a number of inquiries about willingness of farmers to cooperate in efforts to determine, through measuring devices, etc., the proper duty of water. I am sure many of our farmers would be willing to do so, and the district in general would lend any reasonable aid asked."

The commissioners in earlier questioning had indicated the possible necessity of financial cooperation in installing measuring devices and otherwise carrying on an investigation.

In his statement, Ganong pointed out that in subdivided areas, the cost of measuring devices on every tract of land might make such a plan impracticable.

"But in some districts in California," said Dr. W. L. Peterson, one of the investigators, "such measures are taken. If there was less water in that lake, you people might feel differently."

Changes Viewed

Dr. Peterson also stated that working out the problem of determining beneficial use here may require changes in methods of irrigation and this may seem a hardship.

First witness at the Tuesday morning session was E. M. Hammond of Merrill, chairman of the KID directors and a farmer in this area since 1886.

Not Recognized

Hai mond said that the Klamath project has never recognized the excess water charges, which have been imposed on some districts here and brought on the current hearing. "That water has always been considered a part of our set-up," said the veteran farmer. He also testified that water logging in (Continued on Page Two)

Clark Suggests U. S. Take Over Latin America

WASHINGTON, July 29 (AP)—Senator Clark (D-Ida.), speaking as an individual senator, suggested today that the United States "take over control" of all Latin-America and Canada but a colleague immediately branded the idea as fantastic.

Sensor O'Mahoney (D-Wyo.) said he was sure no one in the western part of this country would support the suggestion in calling the proposal both fantastic and imperialistic.

Clark, one of a senate group opposing administration policy, gave no intimation that he would offer legislation to carry out his theory.

But he said in an interview that "the good neighbor policy has been a failure" and that "instead of talking about sending soldiers to Europe we ought to think about using them here in our own hemisphere."

German Junkers Plane Crashes Into House



Fragments of this German Junkers plane crashed through this cottage bedroom scattering debris on a bed in a British town. A boy evacuee from a British city and a woman resident scan the damage. Picture cabled from London to New York.

HOUSE COMMITTEE SPLITS ON DRAFT

Debate Continues on Deferment of Men Over 28 Years

WASHINGTON, July 29 (AP)—The house military committee failed to agree today on legislation designed to retain draftees, guardsmen and reserve officers in service beyond one year.

Representative Short (R-Mo.) said seven republican members of the committee favored "a simple resolution which would authorize keeping the guardsmen and reserves in service."

He expressed opinion the president already had power, if he wished to exercise it, to retain draftees.

Another executive session of the committee is to be held tomorrow and Short said it probably would eventually approve legislation closely in line with the approved by the senate military committee, changed to provide specifically for retention of guardsmen.

Meanwhile, the house debated compromise legislation to defer draftees who were 28 years old July 1, or who become 28 before any subsequent July 1 without having been inducted.

The compromise also includes a provision to permit the president to take over plants engaged in national defense work when an interruption of production hinders the defense program.

Berlin Warns All South America on 'Falsified' Note

BERLIN, July 29 (AP)—The German government has sent notes to all South American governments declaring that the Belmonte note figuring in the expulsion of the German minister from Bolivia was "falsified," the well informed Dienst Aus Deutschland said today.

The authoritative comment service said that "one can conclude that the Wilhelmstrasse called the attention of the remaining South American governments to the clarification in connection with the Belmonte case and to remember it if a somewhat similar situation should face them."

(The German foreign office protested to Bolivia yesterday against the "falsification in the crudest manner possible" of a letter which purported to be from Major Elias Belmonte Pabon, Bolivian military and air attaché who has been dismissed by his government on a charge of treason, to Ernest Wendler, German minister who was expelled from LaPaz in measures against an asserted Nazi putsch plot. The major also denied yesterday that he had written the letter or maintained revolutionary relations with the minister.)

Pickets Return After Rout By Soldier Group

HAMILTON, Ont., July 29 (AP)—CIO pickets took up their lines today in front of entrances to a National Steel Car company plant from which they were driven last night by a group of soldiers from a local army trade school.

The soldiers charged the pickets with flailing fists and cries of "what are you holding up production for?"

The pickets of the steel workers organizing committee withdrew from around the plant and for a time the soldiers, numbering about 250, stood guard at entrances.

The soldiers declared they were acting on their own initiative.

The plant, engaged in munitions work, employs 2,800 persons.

A strike was voted last night by 600 members of the steel workers' organizing committee after a government controller and company officials did not accede to a union demand that plant representatives be authorized to negotiate with a union committee whose members need not be employees of the plant.

BASEBALL AMERICAN LEAGUE

R. H. E.
Detroit 6 7 1
New York 3 6 2
Newhouse, Rowe (7), and Sullivan; Donald, Stanceau (6), Branch (7), Murphy (8), and Rosar.

R. H. E.
Chicago 1 4 0
Pittsburgh 0 4 0
Smith and Turner; Marchion and Wagner.

R. H. E.
St. Louis 3 8 1
Boston 2 6 1
Niggling and Ferrell; M. Harris and Pytkal.

NATIONAL LEAGUE

R. H. E.
Boston 3 8 0
Pittsburgh 5 12 2
Javery, Hutchings (2), Laman (6), and Berres, Montgomery (4); Sullivan, Klinger (7), and V. Davis, Lopez (7). (Called end of seventh, rain).

House Holds Up Tax Bill Debate

WASHINGTON, July 29 (AP)—House democratic leaders, fearful that they did not have the votes to adopt a special amendment-limitation rule, forced the house to adjourn early today without going through with plans to take up the \$3,529,200,000 tax bill.

Speaker Rayburn adjourned the house at 2:10 p. m., EST, after telling republicans there was no intention of taking up the special consideration rule during the day and "probably" not tomorrow.

After adjournment Rep. Martin, of Massachusetts, the minority leader, told newsmen: "They haven't got the votes for the rule."

CHURCHILL DEFENDS BRITISH EFFORTS

U. S. Aid Reaching Gigantic Scale, House Told

LONDON, July 29 (AP)—Prime Minister Churchill in a 92-minute torrent of words which overwhelmed his opposition today defended the record of British war production and declared "the U.S.A., the greatest single power, is giving us aid on a gigantic scale and is advancing in rising wrath and conviction to the very verge of war."

In a speech which admitted failures but declared veritable miracles had been worked in arming Britain, the prime minister made these points:

German air superiority has been broken, and air attacks on Britain for the time being have almost ceased.

The battle of the Atlantic, although far from being won, is turning in favor of the British partly because of "American intervention."

The situation in the middle east is much better than 12 or three months ago.

Despite this "massive towering of facts," Britain can not let down.

The "invasion season is at hand" and all armed forces have been warned to be at the peak of efficiency and alertness by Sept. 1.

It is "madness to suppose that Russia or the United States is going to win the war for us."

Churchill concluded with words which brought from his auditors a prolonged cheer. "We stand here still the champion," he said. "If we fail, all fail and if we fall all fall."

Eden Expecting Hitler to Make 'Peace Blitz' Offer

LONDON, July 29 (AP)—Foreign Secretary Anthony Eden, again rejecting any thought of peace with Hitler, today looked forward to a day when tasks of reconstruction will confront Europe and said Britain hoped for United States aid then, as now, "in keeping through the generations, the peace we shall have won."

Addressing a Foreign Press association luncheon, Eden warned the world that although Hitler's time table in Russia is badly off schedule, a "peace blitz" will soon be offered the world.

The proposals, he said "will promise many things to many people, perhaps even liberation of some of the occupied countries, maybe restoration of France to her place as a great power, recognition—indeed perhaps guarantees—of the British empire . . . Germany, we shall be told, will be ready as a good neighbor and a good European to cooperate in the restoration of trade."

COMMAND SAYS 19 SHIPS SUNK IN ONE CONVOY

Red Counter Drives Reported Spread To All Fronts

BERLIN, July 29 (AP)—The German high command announced tonight that German submarines had sunk 19 ships totaling 116,500 tons from a British convoy in the Atlantic while fighting "for days" against strong British protecting forces.

"German submarines again have scored a great success in the battle of the Atlantic," said a special communique from Adolf Hitler's headquarters on the Russian front.

"Hard pressed by destroyers, corvettes, submarine traps and auxiliary cruisers, for days they fought a British convoy and sank a total of 19 steamers amounting to 116,500 tons."

"Furthermore, of the protecting units, they destroyed one destroyer and one corvette."

An earlier announcement indicated most of the sinkings occurred yesterday and last night.

By HENRY C. CASSIDY
MOSCOW, July 29 (AP)—Russian counter-attacks against Adolf Hitler's invading legions were reported today to have spread to all major sectors of the front in one of the greatest battles of all time . . . the soviet atmosphere was one of calm confidence.

Germans are still trying to push forward, particularly in the Smolensk sector of the central zone, military observers said, but both there and in the Zhitomir region of the Ukraine are "breaking against the firmness and stubbornness" of the defenders.

Nazi losses were described as heavy.

Smolensk Held

Authoritative advices as late as yesterday said that the battered rail and highway center of Smolensk, 230 miles west of the soviet capital, was still in Russian hands after 12 days of bitter fighting.

A modified form of trench warfare was reported in the northern sector, about Pskov, with the Germans meeting stiff resistance by digging in along temporary hollows, trying to edge forward and then dig in again.

At sea also the tide of war was declared to be turning in favor of the Russians and a communique reported that Moscow's fighter patrols and anti-aircraft gunners had repulsed an attempted mass raid of from 140 to 150 German planes overnight.

BERLIN, July 29 (AP)—Bessarabia has been "completely liberated" from the Russians and the last of the red army units trapped by German drives in the Smolensk sector and in Estonia are facing destruction, the high command declared today.

"A great number of prisoners and a large amount of booty will be reported within a few days as a result of this tremendous battle of destruction," it said of the Smolensk fighting.

The high command, in a communique from the fuhrer's headquarters, said that "the enemy's power groups which were overrun in the course of a break through the Stalin line in the direction of Smolensk now have been virtually wiped out."

MINSTREL FOUND DEAD
NEW YORK, July 29 (AP)—Eddie Leonard, 70, famous minstrel man, who was reported missing from his home, was found dead today in the Hotel Imperial. First reports said the old-time blackface comic died of natural causes.

News Index

City Briefs . . . Page 5
Comics and Story . . . Page 6
Courtroom Records . . . Page 4
Editorials . . . Page 4
Information . . . Page 5
Market, Financial . . . Page 5
Pattern . . . Page 3
Sports . . . Page 7