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WEATHER

High 85; Low 60
PRECIPITATION

24 hours to 8 a. m.00
Season to date13.98
Normal precipitation12.07
Last year to date17.02



PRESIDENT ASKS PRICE CONTROL

In The Day's News

By FRANK JENKINS

HARRY HOPKINS shows up in Moscow today. For a sick man, he does get around.

IT'S hard for this writer to think of Hopkins, with his welfare worker background, as running a war. But you never can tell. He may make a great success of it. Few people, a decade ago, would have picked a certain insignificant paper hanger as one of the world's outstanding organizing and military geniuses.

A WAR bulletin today from Hitler's headquarters relates that soviet troops are pressing "relief attacks to rescue trapped Russian forces east of Smolensk."

Russian dispatches picture German tanks which had lunged beyond Smolensk, on the Minsk-to-Moscow highway, as having been surrounded and cut off.

FROM these fragmentary dispatches we can draw for ourselves a fairly accurate picture of what is happening.

Both sides are lunging at each other, each driving "spearheads" into the other's line. From time to time these spearheads (salients in the older military term) are cut off and surrounded.

These trapped forces, instead of surrendering, fight doggedly until destroyed or relieved. It is a war of extermination on both sides.

IMAGINE a battle line 2,000 miles long, swirling with combat from end to end. As the fighting ebbs and flows, these "islands" appear and reappear. Under such circumstances, the final outcome will hinge on which side is most successful in trapping and exterminating the other's forces.

It is too early yet even to try to foretell what the outcome will be.

BRITAIN, through her foreign secretary Anthony Eden today voices a sharp warning to leaders of Japan's expansion policy to "reflect WHILE THERE IS STILL TIME."

Japan, through her premier Prince Fumimaro Konoye, promptly returns that it would be "difficult to predict where the flames of the European conflict might spread" and adds that the Japanese government is doing everything within its power "to mobilize all resources and manpower for ANY EVENTUALITY."

The poker game, you see, is still on.

AT Chungking (China's interior capital) the American gunboat Tutuila is damaged in the course of a Jap air raid, although no one is hurt.

That could be an "incident" if the U. S. wanted to make it so. Instead, the tendency appears to be (as these words are written) to regard the damage as unavoidable in the course of the bombardment.

Anyway, there is still no shooting.

ON the home front, President Roosevelt today asks congress to authorize him to establish a ceiling for prices and rents.

He seeks no authority to put a limit on wages but asks the

Looking Backward

By The Associated Press

July 30, 1940—Great Britain, extending a blockade, curbs imports of Spain and Portugal to their own needs. Havana conference ends with United States recognized as guardian of western hemisphere.

July 30, 1916—Black Tom munitions explosion shakes New York City. British, French forces gain six miles in Somme region with violent attacks.

GERMANS SAY LENINGRAD IN PINGER GRASP

Berlin Report Shows British Carrier In Atlantic

By The Associated Press
Dispatch of a British aircraft carrier to the Arctic off the coast of northern Norway, apparently to take an active part in a new extension of the Russian-German war, was disclosed in a brief Berlin announcement tonight.

The German radio stated that planes from the carrier, supported by Russian aircraft, attacked a northern Norwegian port. Giving only brief details, the Germans stated that 28 of the British craft were shot down by German planes and anti-aircraft defenses, while two German planes were lost.

The German planes, according to the German radio, were of the torpedo-carrying type.

Leningrad Threatened
The Germans declared late today that Russia's hold on Leningrad, second biggest soviet city, was jeopardized by twin drives from the north and south and Adolf Hitler's newspaper asserted that nazi troops had lunged 100 miles beyond Smolensk to within 130 miles of Moscow.

Private advices received by the Associated Press in New York indicated the German high command expected the fall of Leningrad at any time. Russian resistance there appeared nearly at an end.

Nazi quarters in Berlin expressed complete satisfaction with the progress of allied Finnish columns pushing toward Leningrad from the north, while German troops striking from the south and southwest were said to be applying a "squeeze" to seal the city's fate.

Reds Surge West
The Russians, however, reported that the red army tide was surging west and that nazi tank spearheads had been driven back 100 miles from their deepest penetrations—presumably.

Seizure of Jap Fishing Boats In Hawaii Told

WASHINGTON, July 30 (AP)—The seizure of 19 Japanese fishing boats in Hawaiian waters this spring was disclosed today by the treasury department.

Although the vessels were seized by customs agents on charges of false registry, several authoritative officials here alleged that the ship had been employed in espionage work. Customs officers reported that, at the time of the seizures, no suspicious equipment was found on the craft. Other informed sources, however, asserted that during the period the ships were under investigation, they had carried expensive radio and photographic equipment, together with navigational charts of a type unconnected with fishermen's work.

These sources further alleged that most of the ships involved had at least one member of the Japanese naval reserve in its crew.

The seizures took place between Feb. 28 and March 3, and was apparently unrelated to any of the more recent developments in relations between the United States and Japan.

Six of the seized vessels already have been declared forfeited to the U. S. government. Seventy-one Japanese fishermen and three Honolulu fishing companies were indicted on the false registry charges.

Won't Get \$300,000



Rose Davies (above), sister of Marion Davies, won't get the \$300,000 bequeathed her in the will of the late Edward B. McLean, former newspaper publisher. The McLean family attorneys said at Washington, D. C.

STRIKE HALTS WORK ON LOCAL AIRPORT

Union Recognition Up In Walkout Called Wednesday Noon

Klamath's \$280,000 municipal airport construction job, a coast defense project, came to a standstill at noon Wednesday when a strike for union recognition was declared by the AFL Allied Crafts.

Twelve truckers, 20 engineers and 10 laborers were involved, and eight or 10 pieces of heavy equipment were idle at the airport Wednesday afternoon.

Recognition
"Wages and hours were not involved, it was learned, but the strike was called because of alleged refusal by Jones and King, the airport contractor, to sign an Associated General Contractors agreement.

A. S. Jones of the firm said the contract was presented to him Wednesday morning, followed by the strike at noon.

It was expected a picket line would be thrown around the job late Wednesday by members of the Hoisting and Portable Engineers union and the Hodcarriers and Laborers union, affiliates of the Allied Crafts.

L. E. Egan, of the Allied Highway and Heavy Construction union, and E. F. Harland of the ALC (Continued on Page Two)

JAP SHIP LANDS

SAN FRANCISCO, July 30 (AP)—The liner Tatuta Maru, which had circled off San Francisco for six days because the United States had frozen Japanese credits, entered the Golden Gate at 1:30 p. m., today to disembark about 100 American citizens.

Specific suggestions of a water duty of 3 1/2 and 4 acre feet were offered by irrigationists Tuesday afternoon at the final session of hearings conducted by a special interior department commission investigating excess water charges on the Klamath project.

The commission concluded its hearings Tuesday evening, after receiving a mass of information on irrigation practices, water needs and water and land resources of the big Klamath irrigated area. It will now await preparation of a transcript of the hearings, and will then undertake a report giving its conclusions on the local issue. There was no hint as to how soon this will come.

Opinions Agree
There was virtually unanimous agreement among all who

Jap Planes Hit U. S. Gunboat

PROTEST SENT TO TOKYO BY AMBASSADOR

Small Ship Damaged In Bombing of Chungking

WASHINGTON, July 30 (AP)—The United States lodged immediate representations with the Japanese government today over the bombing of the American gunboat Tutuila at Chungking.

The gunboat, a member of the Yangtze river patrol, was damaged—with no injuries to her crew—and the United States embassy narrowly missed by the air raiders this morning.

Sumner Welles, acting secretary of state, made announcement of the representations after a brief conference with the Japanese ambassador, Admiral Kichisaburo Nomura.

Welles declined to indicate the nature of the representations.

It was believed, however, that Welles, after conferring with President Roosevelt by telephone, had called in the Japanese ambassador.

In announcing that representations had been made, Welles received a report that 26 Japanese bombers flew over the Chinese capital, dropping bombs near the Tutuila and other American property.

He said that both the gunboat and the property were across the Yangtze river from Chungking proper, thus indicating the United States would contend there was no justification for a mistake by the Japanese bombers.

(A Shanghai dispatch said the official residence of the embassy was damaged by a bomb and that the damage to the Tutuila resulted from a missile which landed only 10 yards away.)

The gunboat was said to have (Continued on Page Two)

Poland, Russia Sign Agreement

LONDON, July 30 (AP)—A Polish-soviet Russian agreement was signed at the British foreign office today.

The agreement grants an amnesty freeing all Polish prisoners in Russia and wipes out territorial changes in Poland resulting from the German-Russian treaties of 1939 partitioning Poland.

It also provides for the formation of a Polish army in Russia under a Polish commander to be subordinate "in an operational sense" to the supreme command of the soviet union, upon which the Polish army will be represented.

M. M. Stasny, director of the Malin irrigation district, reappeared before the commission Tuesday and said that he believed "34 acre feet would be about right" for the duty of water on his district. He added that he would like to have the contract amended to permit supply of an acre foot in any one month.

Four Feet Eyed
A. M. Thomas, superintendent of the Enterprise district, said his district would be willing to



Firemen at Hammond, Ind., were dousing the remains of a blaze which destroyed a half-block long plant of the Hammond Chemical Service company, when the flames flared too close for comfort. They ran from the danger. Two other firemen were burned and three overcome by heat and smoke. Cause of the fire was undetermined.

HOPKINS REACHES RUSSIAN CAPITAL

Study of War Aid to Reds Mission of Coordinator

MOSCOW, July 30 (AP)—Harry Hopkins, coordinator of the United States lend-lease program, arrived by plane on a surprise visit to the soviet capital from London today, presumably to discuss with Russian officials the needs of the red army in its fight with nazi Germany.

With him came two officers of the United States army, Brig. Gen. Joseph T. McNarney and Lieut. John R. Allison of the air corps.

Presumably their discussions were designed to proceed concurrently with those in Washington between United States officials and Lieut. Gen. Filip Golikov and Engineer General Repin of the soviet army who are there on a special mission.

(In London last Sunday, Hopkins in a radio speech said "We in America are determined to give all possible aid to China and Russia—and immediately.")

It was said in London that he was believed to have left some time last night. It was said his plans were indefinite, and it was not known where long he would stay or whether he would return to the United (Continued on Page Two)

460 American Workmen Land At Irish Port

LONDON, July 30 (AP)—A corps of 460 trained United States construction men arrived today at a port in northern Ireland and were greeted aboard ship by Captain H. D. R. Margesson, British war secretary.

The port was not identified. E. A. V. MacPherson of New York, second in command of the group, told Margesson he understood their work was to be in connection with certain harbor facilities and the war secretary answered that "We are mighty glad to see you fellows here."

The American technicians, in addition to United States workers already in northern Ireland, are headed by E. R. Holland of Williamsburg, Va.

One of them said their transatlantic crossing was uneventful.

The Americans will form a self-contained colony with their own police and medical services. They brought their own food and clothing to relieve the strain on British resources.

"All that is missing is our wives and families which we were not allowed to bring over," one remarked.

They were guaranteed three months work and will work double shifts through the summer, earning \$60 to \$120 a week.

Nation's Traffic Deaths Increase Over Last Year

CHICAGO, July 30 (AP)—The nation's traffic death toll during the first half of 1941 climbed 17 per cent over the same period of 1940, a trend which the national safety council said today pointed toward an all-time high for the year.

The six-month total was 16,810 or 2390 more than the 14,420 for the same 1940 period.

Unless the trend is checked, the council said, the 1941 annual count will shoot past 40,000, compared with last year's 34,500. The last half of the year invariably brings the heaviest toll.

TAFT RAPS POLICY OF ARMY COMMAND

Senator Charges Men To Be Kept Armed Indefinitely

WASHINGTON, July 30 (AP)—Senator Taft (R-Ohio) charged in the senate today that the army general staff was seeking to abandon its policy of rotating the military service of selectees in order to build up a highly-trained force that would be kept in uniform indefinitely.

Taft made the assertion after Senator Thomas (D-Utah) had opened debate on service extension legislation with a plea for retention of citizen soldiers in the ranks beyond the present limit of one year.

The Ohio republican contended that no provision was made (Continued on Page Two)

George Claims American Sea Patrol Active

WASHINGTON, July 30 (AP)—Chairman George (D-Ga.) of the senate foreign relations committee said today that the United States naval patrol of sea lanes to Iceland appeared to have been of such assistance that Great Britain was "slowly gaining the upper hand" in the battle of the Atlantic.

The senator also spoke with guarded optimism of the Russian stand against the German blitzkrieg into the soviet. He referred to reports from the eastern front as "heartening."

Emphasizing that he based his observations only on unofficial reports that had come to him, George told reporters there were indications that the American defense patrol of the sea lanes had been of "great value" to the British in efforts to move supplies to beleaguered Britain.

(When President Roosevelt notified congress July 7 that the United States was undertaking the protective occupation of Iceland, he announced that he had given the navy orders that "all necessary steps be taken to insure the safety of approaches between Iceland and the United States." Only yesterday Prime Minister Winston Churchill told the British house of commons that, partly due to "American intervention," the battle of the Atlantic was "moving progressively in our favor.")

CURB AGAINST INFLATION OF MONEY ASKED

Cooperation of Labor Requested to Halt Rising Levels

WASHINGTON, July 16 (AP)—President Roosevelt, asserting inflationary price increases were threatening to "undermine our defense efforts" asked congress today to authorize him to establish ceilings for prices and rents.

"We face inflation, unless we act decisively and without delay," he said.

The president also requested in a special message authority to purchase materials and commodities when necessary to assure price stability and to "deal more extensively with excesses in the field of installment credit."

While refraining from seeking authority to put a limit on wages, he said he expected the voluntary cooperation of labor to prevent labor costs from rising abnormally.

"Labor," Mr. Roosevelt said, "has far more to gain from price stability than from abnormal wage increases. For these are likely to be illusory, and quickly overtaken by sharp rises in living costs which fall with particular hardship on the least fortunate of our workers and our old people."

The message went to a congress sharply divided on the question of price fixing. Already a senate farm bloc has served notice it would oppose limits on agricultural prices and only yesterday won senate approval of a bill preventing the marketing during the emergency of government-owned stocks on wheat and cotton.

Another group in congress has advocated control of wages on the ground that wage increases have put up manufacturing costs and forced higher prices.

A bill to carry out the president's request is expected to be introduced in both houses shortly. Leon Henderson, head of the office of price administration and civilian supply, has been working on the legislation for weeks with billframing experts.

Mr. Roosevelt recommended that the price-limiting authority "be flexible and subject to exercise through license or regulations under expeditious and workable administrative procedures."

"Like other defense legislation," he added, "it should ex-

(Continued on Page Two)

Eden Warns Japan To Reflect on Plan

LONDON, July 30 (AP)—Foreign Secretary Anthony Eden today said only the future could tell if Japan will keep her promises to respect the sovereignty and integrity of French Indo-China, and sharply warned the Japanese "to reflect while there is still time whether their present policy is leading them."

In a statement to the house of commons which traced the British effort to avert Japanese occupation of air and naval bases in southern Indo-China, Eden said it was a matter of regret to the British government that relations with Japan had become strained.

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