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GERMANS CLAIM 4 MILLION MEN

In The Day's News

By FRANK JENKINS

THE Germans claim destruction so far of FOUR MILLION red army troops in killed, wounded and captured.

DNB (German propaganda machine) says the number of Russian dead alone is three million.

The Nazi high command says the Russian position is so bad that Soviet leadership has lost touch with the situation on its own front.

IF the Russians can lose four million men—three million of them dead—and still deliver counter-attacks, Hitler has a big, bad, MENACING bear by the tail.

FROM Moscow, Vice Foreign Commissar Lozovsky reports: "The process of DISINTEGRATION of the German army has begun. Hitler's blitzkrieg legions cracked when the period of easy victories ended and the period of heavy losses began."

THE fighting in Russia is unquestionably on a world-record scale. The talking isn't far behind.

SECRETARY of State Hull in Washington and Foreign Secretary Eden in London make statements today for Japan's benefit that are strikingly similar in tone.

Hull says: "A Japanese move into Thailand would be considered a step menacing American security and endangering American territory in the Pacific."

Eden tells the house of commons that Britain is maintaining "the utmost vigilance" in the Far East.

HERE'S the nub of the Far East situation to date: The Japs as yet haven't started shooting.

IN London, Major Clement Attlee, government leader in the house of commons, pinching-hitting for Churchill (there's a rumor that Churchill and Roosevelt are meeting privately on a warship at sea) announces that in July 450,000 tons of AXIS SHIPPING were sunk, damaged or put out of action by the British.

Ship sinking, you see, is a game that two can play at.

ON the home front: Leland Olds, chairman of the federal power commission, discussing the subject of daylight saving with the house interstate commerce committee, says:

"The present known limits of the defense program will require 100 billion kilowatt hours by 1943, and about HALF that will have to be taken from normal commercial uses."

He adds that daylight saving is designed to PREPARE THE PEOPLE for a wide range of power curtailments.

THERE will be a lot of curtailments coming to us as we proceed along the road from a peace time to a war time basis.

The extent of these curtailments will be determined by the extent to which we are able (or willing) to INCREASE PRODUCTION.

If we could all of us, workers and employers alike, bring ourselves to take ALL THE HOLDERS off production we could probably produce so unbelievably much that the strain of all-out defense preparation would be felt very little.

Japanese Warned

U. S., BRITAIN TAKE INTEREST IN THAI FATE

Hull Declares Moves Against American Security

WASHINGTON, Aug. 6 (AP)—Secretary of State Hull said today that Japanese intentions toward Thailand and the southwest Pacific area were a matter of increasing concern to the United States government.

This government has made clear, he told a press conference, its vital interest and opposition to any moves of conquest in the Pacific and elsewhere. This, he added, applies to Thailand.

Referring especially to indications that Japan already was demanding military concessions in that independent state, Secretary Hull said the government here viewed these with increasing concern.

He expressed the interest of the United States in the integrity and independence of Thailand by referring to previous statements of policy regarding the southwest Pacific.

A Japanese move into Thailand, Secretary Hull made clear, would be considered a step menacing American security and endangering American territory in the Pacific.

In another move touching on the far east situation the war department ordered 17 additional officers, mostly infantry and artillery lieutenants, to service in the Philippines. They were the third such group recently assigned there.

LONDON, Aug. 6 (AP)—Foreign Secretary Anthony Eden disclosed to the house of commons today that Japan has been warned her intervention in Thailand would "give rise to a most serious situation between Great Britain and Japan."

Making his statement in a war review in which he and Major Attlee, government leader in commons, substituted for the absent Prime Minister Churchill, Eden said Ambassador Sir Robert Leslie Craigie had warned (Continued on Page Two)

Admiral Stops In Klamath on Vacation Trip

By LOIS STEWART

Lack of gold braid and medals and sashes or whatever a rear admiral wears when he is on duty, failed to rear Admiral Hayne Ellis, former commander of the Atlantic fleet, of that certain something that the navy packs around with it.

Rear Admiral Ellis, who retires from active duty September 1, arrived in Klamath Falls Tuesday accompanied by his brother-in-law, R. P. Combs, treasurer of the Long Bell Lumber company, headquarters in Kansas City. The two were guests of George Hayes, manager of the local Long Bell plant.

The visiting naval officer, who hails from Macon, Georgia, hometown of the famous peaches which he didn't forget to "plug," is making his first visit to the Pacific coast in 20 years. He had little or nothing to say about the present situation and hadn't heard of the rumor which has President Roosevelt, Prime Minister Winston Churchill and Harry L. Hopkins hobnobbing somewhere off New Brunswick in the North Atlantic. The rear admiral was relieved of his command the first of the year and at the present time is on duty with the general board of the navy in Washington, D. C.

During the first World War, Rear Admiral Ellis served as aid to the chief of the bureau of (Continued on Page Two)

Germans Say Brazil Being Used by F. R.

BERLIN, Aug. 6 (AP)—An authorized spokesman said today that the German government was "an attentive observer" of what he called President Roosevelt's efforts to get Brazil to occupy Portugal's Azores islands.

"There are reports of ultimate pressure on Brazil for this purpose," the spokesman declared. "How far Brazil is willing to go, how far she can be cajoled is not a matter for us to judge. But we know it is up to the people of the United States to determine how far they are going to be the tool of Roosevelt's aggressive policy and to reckon with the consequences (Continued on Page Two)

DISPUTE HOLDS UP AIRPORT PARLEYS

Union Contract Still Pending After Discussion

Dispute over a contractual technicality Wednesday held up final settlement of labor difficulties on the \$280,000 Klamath municipal airport project, a defense job.

The squabble, which began last week when the Allied Heavy Construction and Highway Crafts union declared a strike against Contractors Jones and King for alleged refusal to sign a union contract, was scheduled for arbitration Wednesday. It was held off, however, on the firm's request for an extension of time.

At a meeting Wednesday morning between six union representatives and A. S. Jones, firm partner, discussion over the proposed contract again resulted in a stalemate, although both parties were in accord over terms incorporated in the agreement.

Jones' refusal was based on the fact he was called on to subscribe to an existing contract between the union and the Associated General Contractors of Oregon, approving the AGC terms but not actually entering into a direct agreement between his firm and the Crafts union. Jones and King is not a member of the AGC.

The contractor said he was willing to agree to a duplicate (Continued on Page Two)

Two Soldiers Die, Several Wounded In Fight on Bus

FAYETTEVILLE, N. C., Aug. 6 (AP)—Two soldiers were killed and six others wounded, one seriously, in an outburst of gunfire inside a private bus carrying 25 to 30 soldiers from Fayetteville to nearby Fort Bragg early today.

The dead: Sergeant Edwin L. Hargraves, 20, of Corsicana, Texas, a military policeman, and Private Ned Turman, 27, of Ashton, S. C., negro member of the 78th coast artillery.

Col. C. B. Elliott, commanding Fort Bragg, announced a board of inquiry would make a prompt investigation, pending which he ordered the military police to refrain from discussing the affray.

Detective Roy Godwin of Fayetteville said he was told Hargraves intervened when a "Jap" was kicked in the face by one of the passengers.

A scuffle ensued between the sergeant and Turman, he said, in which Hargraves was killed with his own pistol, and several shots rang out. Then, the detective related, Sergeant Russell Owens, 25, of Hartley, Ky., another M. P., entered the bus and shot Turman.

DEFENSE ROAD VETO FAILS IN SENATE VOTE

President Overrides On \$320,000,000 Highway Bill

WASHINGTON, Aug. 6 (AP)—The senate overrode today President Roosevelt's veto of a \$320,000,000 road program.

The vote was 57 to 19. A two-thirds majority in both houses is necessary to override a veto. The veto now will be considered by the house.

The measure would authorize appropriation of \$125,000,000 among the states for building roads in the nation's "strategic" defense system, and expenditure of \$150,000,000 for access roads in connection with defense establishments. It also carries \$25,000,000 to pay for damage done roads by military maneuvers.

It would also authorize \$10,000,000 for building airplane landing strips along public highways and \$10,000,000 for the cost of surveys and plans.

A major objection by the president was that the funds for strategic networks would be apportioned. He had recommended a total of \$25,000,000 without apportionment.

WASHINGTON, Aug. 6 (AP)—Senators Holman and McNary, Oregon republicans, were announced today as favoring enactment of the \$320,000,000 road program bill over the president's veto, but were not among those actually voting on it.

BASEBALL

NATIONAL LEAGUE			
	R	H	E
Pittsburgh	13	13	0
Chicago	3	9	2

AMERICAN LEAGUE			
	R	H	E
(First Game)			
Chicago	6	15	1
St. Louis	9	11	0

(Second Game)			
	R	H	E
New York	3	8	2
Boston	1	5	0

	R	H	E
Detroit	11	11	1
Cleveland	2	6	2

1st game:			
	R	H	E
New York	3	6	0
Boston	6	10	0

2nd game:			
	R	H	E
Chandler, Branch (5)			
Dickey; Hughson, Ryba (3) and Peacock.			

Strike Ballots Prepared After Railroads Refuse Wage Boosts

By The Associated Press

Strike ballots were being prepared today for immediate transmission to 1,200,000 railroad workers whose demands for wage increases have been rejected by the carriers.

Representatives of the five operating brotherhoods and 14 non-operating unions, meeting in Chicago, predicted that the result of the mail vote would be known in from a week to 30 days.

In rejecting the wage demands, the carriers conference committee which has been meeting with the union men declared the nation's railroads would be unable to pay the requested boost, which the management estimated would total \$900,000,000 a year.

Workmen From U. S. on Job in Northern Ireland



At work in Ulster, Foreman Dan Butler (left), an Ohioan, watched Jimmy Cavan of New York City operate a tractor. British sources said. Previously the British foreign office said "some technicians and laborers from the U. S. are engaged in certain works that are proceeding in northern Ireland" as "direct employees of the British government." Picture transmitted via cable from London to New York.

HENDERSON FLAYS SILK PROFITEERING

Price Chief Recalls World War Plan For Control

WASHINGTON, Aug. 6 (AP)—Price Administrator Henderson told congress today that any increases in the price of silk stockings now could be "pretty generally characterized as profiteering."

Resuming his testimony before the house banking committee on the administration's price control bill, Henderson declared that the recent stoppage of silk production would not justify any increases in the price of silk stockings on the shelves of the retailers.

At one point the witness said "great damage" might result if an attempt were made to regulate prices by World war methods.

Henderson said it was generally conceded that price control required a definite statutory basis.

When Representative Williams (D-Mo.) asked about World war methods, Henderson said the records showed and all who had been involved in the 1917-1918 situation agreed that great damage had been done then by allowing prices to rise.

Even in the case of food and fuel prices, for which congress enacted a special price control law, Henderson said it took the World war board "four months to debate the question."

Looking Backward

By The Associated Press

Aug. 6, 1940—Italy invades Egypt, 250,000 troops attacking from Libya.

Aug. 6, 1916—Russians take six villages in northern Galicia. British gain slightly on Somme front.

Bids Received On Surfacing Of Canby Road

SAN FRANCISCO, Aug. 6 (AP)—A low bid of \$335,393 for road work between Canby, Calif., and Klamath Falls, Ore., was submitted to the PWA office here by Frederickson and Westbrook of Sacramento, Calif.

The contract for bituminous treated surfacing of the 29 miles of highway was expected to be awarded in Washington within 10 days. A recommendation the Sacramento firm be given the award was forwarded today. The contract provides that work be finished 225 days after start of construction.

Other bids opened late yesterday were submitted by Claude C. Wood and Frank B. Marks and Son, Lodi, Calif., \$389,621; and Hensley Moore company and Frederickson and Watson Construction company, Oakland, Calif., \$397,021.

The new work on the Canby-Klamath Falls road will bring up to standards those sections of the road in Modoc county and the Modoc national forest which are now badly broken up. It will provide a first-class highway between here and Alturas, and complete a link of the road to Reno.

When the federal government has brought the highway up to standards, the state of California will take it over. Legislation to this effect followed years of effort by northern California and Klamath basin interests.

SALEM, Aug. 6 (AP)—The state highway commission awarded a \$172,016 contract today to Frank Penepacker and Clifford A. Dunn, Portland, for grading 1.48 miles, topping 4.39 miles, surfacing 5.03 miles and paving 4.38 miles with bituminous macadam on the Algoma-Terminal City section of The Dalles-California highway.

President's Yacht Fails to Mention Churchill Rumor

WASHINGTON, Aug. 6 (AP)—A report from the presidential yacht Potomac said today that President Roosevelt was enjoying a cruise off New England. The brief communication made no mention of a much-rumored meeting with British Prime Minister Winston Churchill.

The navy department issued the following dispatch from the yacht Potomac:

"Cruise ship proceeding slowly along coast with party fishing from stern. Weather fair sea smooth. Potomac rivers sailors responding to New England air after Washington summer."

Rumors had been circulating here and in other world capitals that the president might meet Churchill somewhere in the north Atlantic. The wording of today's message indicated that the yacht was sticking close to the New England shore and was making no such speed as it might put on if the president had a rendezvous with any official coming from Europe.

SENATE SEEKS NEW FUNDS FROM TAXES

Changes in Measure Reduce Income For Defense

WASHINGTON, Aug. 6 (AP)—Still higher income tax rates and lower personal exemptions were under discussion today even before members of the senate finance committee sat down with treasury experts for a thorough examination of the \$3,296,200,000 tax bill approved by the house.

Chairman George (D-Ga.) called the committee together for a detailed analysis of the measure after telling reporters that efforts probably would be made to make up the loss in prospective (Continued on Page Two)

CIO Raps OPM For Slashing Auto Output

BUFFALO, N. Y., Aug. 6 (AP)—Presence of "two representatives of the OPM" at the CIO United Automobile workers sixth convention "calls attention again to the deadly thrusts planned by that government agency against the business of the employers and the jobs of the workers in the auto industry," says a UAW official.

George F. Addes, UAW secretary-treasurer, did not identify the office of production management agents he said were present, but declared it is time for the OPM "to devote more effort to long-range defense production and less to uncalculated interference with the affairs of unorganized labor."

"It is the No. 1 task of our convention to lay the basis for an effective campaign against the unnecessary and brutal slashes to be imposed by the OPM and OPACS (office of price administration and civilian supply)," he added.

A 20 per cent reduction of automobile production in 1942 has been indicated by defense officials.

Earlier, the convention, in its first heated factional dispute, refused unofficially to send 10 delegates from the Milwaukee Allis-Chalmers plant local, accused of communistic leadership. The local, which staged a 79-day strike this year, claims to represent 8,000 workers.

The standing vote and roll call poll rejecting the delegation, headed by Harold Cristoffel, was interpreted by Richard T. Frankenstein, UAW-CIO international board member, as a "good kick in the teeth for communism."

He predicted adoption of his resolution to bar communists from a "ding office in the union." "This unofficial vote is a clear indication," he asserted, "of the trend the convention will take." He told reporters "in the main the Allis-Chalmers union is dominated by communism."

SMOLENSK IN NAZI HANDS, SAYS REPORT

Russians Continue to Maintain Invaders Held in Check

By The Associated Press

Destruction of 4,000,000 red army troops—killed and captured—was claimed by the Germans today, but in a rapid-fire series of bulletins the Nazi high command again made no specific report of new gains or capture of important cities, and the Russians said they were meeting the new German threat in the Ukraine with smashing counter-attacks.

Dispatches from Moscow compared the Soviet counter-blows with those which hurled back the Nazis on the central Smolensk front guarding Moscow last week.

Heralded by a fanfare of trumpets, the Berlin radio proclaimed to the German people a vast new slaughter of Russia's army, with Adolf Hitler's field headquarters announcing the capture of 895,000 Russian prisoners and the destruction or capture of 13,145 armored cars and tanks, 10,388 guns and 9,082 planes.

DNB, the official German news agency, estimated the number of Soviet dead alone at 3,000,000.

Three Breaks

Hitler's headquarters detailed at length what it described as lunges through the Soviet defense system at "three decisive points": south of the Pinsk (Pripiet) marshes, in the Smolensk sector on the road to Moscow, and south of Lake Peipus below Leningrad.

The German war bulletin asserted that the bloody 3-weeks-old battle of Smolensk had now ended victoriously for Nazi invasion forces driving toward the Soviet capital.

The onslaught in this sector, described as "historically unique . . . in the unabating sequence of destructive blows against the bolshevik forces," was under the direction of Field Marshal General Fedor Von Bock, the high command said.

In the south, the Nazi war review asserted that German, Hungarian and Slovak troops had smashed forward "to the gates of Kiev," capital of the Soviet Ukraine.

"With this breakthrough deep beyond the Stalin line," the communique went on, "it became possible to turn southward in a broad front between the Dniester and Dnieper rivers, cut off the enemy's retreat and begin an encirclement battle which presently is raging at full fury."

Declaring that the time had now come to disclose results of "the tremendous struggle which began with the breakthrough of the Stalin line," the Nazi high command asserted:

"As apparent from numerous reports, Soviet leadership no longer possesses a reliable picture of the situation on their own front."

By contrast, Russia's Vice Foreign Commissar S. A. Lozovsky reported that "the process of disintegration of the German army has begun," and that Hitler's blitzkrieg legions cracked "when the period of easy victories ended and the period of heavy losses began."

TOTEM STOLEN

SEATTLE, Aug. 6 (AP)—Somebody today away a 9-foot, 400-pound totem pole wired to a downtown curio shop, the proprietor complained to police today.

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