

PICTURES!

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WEATHER

High 75; Low 48
PRECIPITATION
24 hours to 8 a. m.0.00
Season to date16.73
Normal precipitation12.24
Last year to date17.02



ANDERSON CAUGHT IN PEN BREAK

In The Day's News

By FRANK JENKINS

AS you read of the bloody fighting in Russia (probably the world's mightiest battle) recall this significant fact: Today is the second anniversary of the signing of the Russian-German treaty of peace — the treaty that according to the nazis was to make a soviet-German war impossible.

YESTERDAY DNB (German propaganda) estimated Russian losses, inflicted by Germany, at five million men, killed, wounded and prisoners; 14,000 tanks, 14,000 cannon and 11,000 airplanes.

Such has been the fate of ALL who have relied on Hitler's promises.

MARSHAL VOROSHILOV says today to the Leningrad populace:

"Terrible danger hangs over Leningrad. The decisive moment has arrived. The enemy is near. Our holy duty is to self-sacrificingly defend the approaches to our city."

The people SEEM TO BE DOING IT. They are dying willingly for their country. There has been no sign of flinching on their part. People AS PEOPLE are an admirable lot. It's a pity as much can't be said for their leaders.

AN AP dispatch today says: "As the Germans face the likelihood of a long winter campaign, nazi military authorities in Paris are taking stern measures to crush a RISING TIDE OF BITTERNESS AND HATRED among the conquered French."

The Germans in Paris arrest 6,000 "Jews, communists and de Gaulists." The next day a German colonel is stabbed to death in the Paris subway.

The German commandant in Paris promptly issues this order: "In case of a new criminal attack, a number of HOSTAGES corresponding to the gravity of the act committed WILL BE SHOT."

Thus giving us a glimpse of Hitler's new order in Europe.

AT Vichy, the Petain-Darlan government FOLLOWS THE GERMAN LEAD and decrees the death penalty for "communists and anarchists" (definition of such to be left to Petain and Darlan.)

The French people are willing to risk death to display their hatred of Germany. Their leaders PLAY ALONG with the Germans.

THE new installment buying regulations, to become effective September 1, are announced today by the federal reserve board.

Down payments are to be required on all purchases and the balance must be retired within 18 months. Down payments are to be graded upward according to the luxury nature of the purchase—smallest on house furnishings and such and largest on autos, airplanes, motorboats, etc.

The federal reserve board says the present order is MERELY A START.

THE purpose of these regulations is to restrict purchases of what the economists call "consumption goods," thus in-

Looking Backward

By The Associated Press

Aug. 23, 1940 — Two reported killed in first nazi night raid on London; RAF blasts German gun emplacements on French coast.

Aug. 23, 1918 — London reports Bulgarian advance along Struma valley; German merchant submarine Deutschland returns to Bremen from Baltimore.

Voroshilov Calls on People

DREAD DANGER HANGING OVER OLD CAPITAL

Soviet Women in Front Lines; Nazis Say Plan Followed

By The Associated Press

Soviet Marshal Klementi Voroshilov, in a dramatic appeal to the populace of Russia's second greatest city, acknowledged today that "a terrible danger is hanging over Leningrad" and that "the enemy is nearing" the sprawling industrial center on the Gulf of Finland.

"Dig yourselves in! The decisive moment has arrived," Voroshilov proclaimed, even as red armies defending the city, reinforced by troops rushed from Leningrad's garrison of 1,000,000 men, were reported under heavy pressure on three sides.

City Saved

Previous reports had indicated the Russians were holding fast.

Meanwhile, soviet dispatches said combined red army forces and volunteers of a "people's army" had saved an unspecified city from German siege columns, hurling the nazis back six miles in a fierce counter-attack. (Continued on Page Two)

69-Day Strike At Klamath Store Ends

The long, 69-day march of Culinary Alliance pickets before the J. J. Newberry Main street store was halted late Friday afternoon as a union statement announced the end of the longest basin strike of the year.

C. V. Courtney, president of the Klamath local, said the alliance contract was signed at 5:45 p. m. following authorization by the Newberry home office to I. J. Olson, local store manager.

Ruth Hess, local restaurant manager, also signed for the company, indicating a union victory in the main issue of the long walkout. Union officials had insisted since the strike was called on June 14, that Miss Hess either come under wage scale terms of the contract or, if she was listed as a supervisory employee, be a party to the agreement.

Union labor at the Newberry lunch counter walked out at 2 p. m. on Saturday, June 14, deadline for signing the general alliance contract which called for a general 50 cents per day wage boost. It was understood then that the management issue was the sole bar toward mutual agreement.

Super-Panzer Wagon Tested In Pacific Coast Maneuvers; Army Booster Bared

By STUART WELCH

WITH THE ARMY IN SOUTHWEST WASHINGTON, Aug. 23 (AP)—A super-panzer wagon, capable of rambling with an infantry platoon of 87 men, their weapons, ammunition and three days' rations, is the latest addition to Uncle Sam's army mechanization move.

The truck-trailer unit unveiled for the current west coast air maneuvers is the only one of its kind, but two more are being built. It is a product of California's third army corps under Maj. Gen. Joseph Stilwell.

Hook and Ladder

Lieut. Col. Edward A. Murphy, ordnance officer of the seventh division, has been developing the vehicle. It looks like a moving platform, built so close to the ground that men can step on and off without a hop. The 87 men can sit on the trailer platform with ease, equipped with their rifles, machine-



This picture was taken at a meeting of the Klamath county defense savings committee, called Friday on the occasion of a visit of the state staff. Seated, left to right: R. R. Macartney, Paul Landry, Chairman Andrew Collier of the Klamath committee, National Democratic Committee-man Howard Latourette, State Legislator Harry Bolvin, Sam Mushen. Standing: Sam Lockwood, Chairman Palmer Hoyt and Administrator Ted Gamble of the state staff, R. S. Holden and Morris Weatherford.

TOWNSEND URGES GROSS WAGE TAX

Pension Advocate Sees 'Utter Chaos' Unless Plan Reset

WASHINGTON, Aug. 23 (AP)—Dr. Francis E. Townsend urged today that a general gross tax of 5 per cent be levied on all wages and business transactions as a means of meeting the huge costs of defense and government. The veteran advocate of old-age pensions told the senate finance committee that this government "faced utter chaos" unless it completely revised what he called its present "hodge-podge tax system."

Townsend was one of the last of more than 150 witnesses who (Continued on Page Two)

CIO Pay Request Will Wait For Ceiling Outcome

PORTLAND, Aug. 23 (AP)—A CIO request for higher wages in the Pacific northwest lumber industry will await federal price-setting on fir products. Employees yesterday told the International Woodworkers of America that wage issues could not be discussed reasonably until after the price-setting order, expected soon.

Al Hartung, district union president, said the CIO was entitled under a contract signed June 23 to reopen wage negotiations now, but agreed to the delay.

The June contract granted a 7 1/2 cent increase to a minimum of 75 cents an hour. The union is asking an additional 7 1/2 cents.

Plans Shaped For Defense Bond Sale Here

Plans were enthusiastically shaped for sale of defense savings bonds and stamps in Klamath county at a meeting held late Friday on the occasion of a visit to this city of the state defense savings staff, headed by Chairman Palmer Hoyt, publisher of the Oregonian.

Important development at the meeting was announcement by Hoyt of the appointment of Ed A. Geary, prominent Klamath farmer, on the state defense savings committee. Geary will retain his position on the Klamath county committee. Those in the visiting party were Chairman Hoyt, Administrator Ted Gamble, Deputy Administrators Ray Conway and George Godfrey, and Howard Latourette, chairman of the governmental employees sub-committee. Latourette is also democratic national committeeman for Oregon.

Chairman Andrew M. Collier of the Klamath committee assured the visitors that a determined effort will be made to (Continued on Page Two)

Mohammed Stirs Slightly As Lang Does It

GRAND COULEE, Aug. 23 (AP)—Herbert Lang built a ferry but couldn't get it to the lake. So they brought the lake to him. The ferry was constructed to be used on the lake behind Grand Coulee dam, but Lang's construction platform, he discovered too late, was too high to allow his skidway to reach the water. Dam engineers obligingly lifted the level of the lake until the skidway would reach.

fourth army, including most of the troops on the Pacific coast, would be enlarged from approximately 80,000 men to 260,000, beginning Sept. 1.

He told a press conference that five new streamlined divisions of 15,000 men each would be based at Medford, Ore., West Yellowstone, Mont., Corvallis, Ore., Fort Huachuca, Ariz., and Marysville, Calif.; an armored division of 10,000 men at Santa Maria, Calif.; five new cantonments to house 30,000 each are now under construction or planned in the coast area, he said.

WITH THE ARMY IN SOUTHWEST WASHINGTON, Aug. 23 (AP)—A mythical enemy naval attack may descend on Seattle and Tacoma Sunday morning at daybreak, according to advices received at 4th army headquarters. (Continued on Page Two)

BOARD ORDERS INSTALLMENT BUYING CURB

Heavy Down Payments Must Be Made After September First

WASHINGTON, Aug. 23 (UP)—The federal reserve board last night issued formal regulations restricting installment buying after September 1 in an effort to curb a trend toward inflation. By authority of a presidential executive order, the board announced Friday that after September 1 substantially larger down payments would be required and periods of credit limited to 18 months on 24 durable goods.

The regulations also apply to small loans and credit extended on modernization of private dwellings.

List Grows

The regulations follow closely a tentative outline made public last week, but with the addition to the list of household furniture, pianos and electric organs, sewing machines, phonographs, water pumps, attic ventilating fans and musical instruments composed principally of metals. The rules also call for down payments of one-third on new and used automobiles, aircraft, power-driven boats and their motors, outboard motors, and motorcycles.

On other groups of articles affected, such as mechanical refrigerators, washing machines, electric dishwashers, cooking stoves, vacuum cleaners and (Continued on Page Two)

French Lives Put In Pawn After Shooting

VICHY, Unoccupied France, Aug. 23 (AP)—German military authorities put the lives of thousands of Frenchmen in pawn today for any new violence following the assassination of a German colonel in the Paris subway, and the Petain government of unoccupied France followed an earlier German lead by decreeing death for communists and anarchists.

But even while the roundups of suspects continued, news reached Vichy of a new train wreck in the unoccupied zone in the entrance to the Valdonne tunnel in Mussat plain yesterday. Thirty miners were injured.

In Prison Break



James O. Anderson, 18, Beatty, was captured near Salem after he and two other state prison inmates escaped from a prison flax gang. Anderson stole a prison car and led officers on a 50-mile chase, in which two of the pursuing cars collided.

IRAN ARMY CUTS OFFICER LEAVES

Britain Seen Ready to Stand on German Ouster Demand

TEHRAN, Iran, Aug. 23 (AP)—Iran, anticipating a showdown on British-Russian demands for expulsion of German technicians from the country, has cancelled leaves for 1072 newly-graduated army officers and has ordered them to frontiers for active duty with 120,000 troops on guard there.

A government answer to a British-Russian note was delivered to the British minister yesterday. Iran was understood to have shown readiness to reduce the number of German technicians when their contracts in state-owned railroads and communications industries expire. The answer, however, was reported to have stressed that Iran as a neutral, independent power, did not see why she should be (Continued on Page Two)

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BEATTY YOUTH TAKEN AFTER SALEM ESCAPE

Indian Flees in Three-Man Try, Captured In Long Chase

SALEM, Aug. 23 — James Quentin Anderson, 18-year-old Klamath county prisoner, figured in a prison escape with two other convicts here today but was captured after a sensational 50-mile chase during which a shot was fired into a prison car in which Anderson was fleeing. The three men, Anderson, Charles Melvin Carmichael, 19, and Kenneth Lloyd Hougham, 19, escaped from a prison flax gang near the main institution.

Zig-Zag Chase

Immediately, Deputy Warden E. C. (Gene) Halley drove in a prison car to the scene of the escape and headed off the trio. Carmichael resisted, and while Halley was attempting to subdue him Anderson went into action.

The Klamath prisoner jumped into Halley's prison machine and drove away. After a scuffle, Halley returned Carmichael to the penitentiary, called other cars and the hunt for Anderson began.

Anderson led the pursuing officers a zig-zag chase over Marion county roads east of Salem. He drove through Silverton, where the officers fired a (Continued on Page Two)

Oregon Heat Wave Broken; Cool Predicted

PORTLAND, Aug. 23 (AP)—The hot weather belt extending across Oregon from Medford to Pendleton appeared broken today, with definitely cooler temperatures predicted for the weekend.

Temperatures were somewhat lower yesterday, but Pendleton still recorded a maximum of 89 degrees and Medford had 85, Burns 83, Lakeview 82 and Bend 81.

The federal weather bureau forecast showers in western Oregon tonight and over the mountains Sunday, with the interior cooler Sunday.

WHIRLY WINS AGAIN

CHICAGO, Aug. 23 (AP)—Whirlaway galloped to a 2 1/4-length victory in the \$40,000 added American derby before a cheering crowd of 35,000 at Washington park today.

Death Comes With Foggy Dawn—2 Die, 18 Hurt in Bus Crash



Screams and groans of passengers lifted a curtain of dense fog on the Golden Gate bridge approach when a San Francisco-bound bus crashed headlong into a small car, killing two, injuring 18, some critically. In a scene of wild confusion, doctors and officers from nearby Fort Baker strove to extricate passengers from the telescoped bus, administer aid. Above, foreground, Mario Regalia, injured bus driver, keeps his hand on the coin box after miraculously escaping death.