

PICTURES!

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KLAMATH FALLS, OREGON, FRIDAY, AUGUST 29, 1941

Number 9375

WEATHER

High 70; Low 49
PRECIPITATION
24 hours to 8 a. m.00
Season to date18.73
Normal precipitation12.28
Last year to date17.02



HITLER, DUCE END LONG PARLEY

In The Day's News

By FRANK JENKINS

IN Tokyo today Domei, Japanese news agency, says: "Well informed circles are of the opinion that what Japan is aiming at, under the complex international situation, is DISPOSAL of the China affair and construction of the East Asia co-prosperity sphere with the ultimate object of ushering in an era of PERMANENT PEACE in the Pacific; and in consideration of the very delicate relations existing between Japan and the United States following the outbreak of the Russian-German war Prince Konoye (Jap premier) conveyed Japan's firm conviction on this broad viewpoint to President Roosevelt."

THE important commercial newspaper Chugai indicates today its belief the Japanese-American crisis could be settled amicably, and adds:

"From time immemorial there has been no problem which could not be settled by mutual conversations between Japan and the United States."

(It must be remembered here that in Japan, as in all dictator countries, the newspapers are merely mouthpieces for the government, saying what the government wants them to say and keeping still about what the government wants kept mum.)

THIS writer's guess:

Japan would like to cut loose from Hitler and make a deal with the United States, Britain and Russia.

A further guess: Some such deal is UNDER CONSIDERATION in Tokyo and Washington.

KEEP your eye on those tankers that are steaming toward Vladivostok. Their actions will provide a hint as to how the deal is progressing.

ADOLF and Benito conclude today a five-day meeting at Hitler's headquarters on the Russian front (kept carefully secret until now) with the announcement they aim at "removing the causes of war and developing co-operation for all the peoples of Europe."

Predicted, of course, on COMPLETE AXIS VICTORY.

They list "DESTRUCTION of the bolshevist danger and of plutocratic exploitation" as necessary to create the "political, economic and cultural co-operation envisioned for Europe."

PRONOUNCEMENT No. 1 bears a strong resemblance to the Roosevelt-Churchill eight points. Pronouncement No. 2 sounds surprisingly like the Roosevelt-Churchill statement that Hitlerism must first be destroyed.

THE axis twins are slipping. Instead of concocting their own poison, as they did so freely in the earlier days of the war, they're copy-casting Roosevelt and Churchill.

THE conclusion is inevitable that THEY'RE WORRIED.

You never start copying your competitor until his methods begin to BITE IN ON YOUR BUSINESS. And when you do begin copying your competitor instead of rolling your own it's a pretty sure sign you're beginning to slip.

Any business man can tell you that. LEADERS have to be self-confident. When they start losing their self-confidence they begin to lose their grip.

DON'T think Hitler and Mussolini didn't give serious consideration to the signs that Japan may be getting ready to take a run-out powder. That was their No. 1 headache.

Production Setup Shaken

F. R. CREATES 7-MAN BOARD FOR DEFENSE

Wallace Heads Priority Group; Hopkins New Chief

WASHINGTON, Aug. 29 (UP)—President Roosevelt last night reorganized the much-criticized national defense production setup by creating what amounts to a ministry of supply and vesting full priority powers in a seven-man board headed by Vice President Henry A. Wallace.

The move ends a bitter jurisdictional dispute between the office of production management and the office of price administration and civilian supply. It is intended to remove defense production bottlenecks and generally accelerate the entire rearmament effort.

Big Names
In addition to Wallace who also retains the chairmanship of the recently-created economic defense agency—the president named to the board—Secretary of War Henry L. Stimson, Secretary of the Navy Frank Knox, Associate OPM Directors William B. Knudsen and Sidney Hillman, Price Administrator Leon Henderson and Lend-Lease Coordinator Harry L. Hopkins.

The shakeup, announced in an executive order, is Mr. Roosevelt's third revitalization of his program to make the United States the "arsenal of democracy." The order also:

1. Abolished the old office of price administrator and civilian supply, creating in OPM the division of civilian supply, and leaving outside of the overall agency the office of price administration, Henderson, however, (Continued on Page Two)

Senate Committee Approves 3 1/2 Billion Tax Bill; F. R. Sees Non-Vital Cost Cut

WASHINGTON, Aug. 29 (AP)—The senate finance committee approved today an unprecedented \$3,672,400,000 tax bill. The measure was estimated by the treasury to carry \$456,000,000 more than was voted by the house.

Chairman George (D-Ga.) of the finance group told reporters, however, that he believed the treasury estimates of \$3,672,000,000 would prove low.



When Australian Prime Minister Robert G. Menzies resigned, A. W. Fadden, above, setting prime minister during Menzies' recent absence in England, was elected unanimously as government leader.

Meet Tuesday
"In a full year of operation," he said, "I believe this bill would raise approximately \$4,000,000,000."

George said that although the measure was given general approval in its present form, the finance committee would meet Tuesday to consider any technical changes in language which may appear desirable.

Before winding up its work, the committee voted to exempt from excess profits taxes the strategic metals industries.

The measure would create between 6,000,000 and 7,000,000 new taxpayers by lowering personal income exemptions from \$2000 to \$1500 for married persons and from \$800 to \$750 for single individuals. The lowered exemptions were designed to raise more than \$300,000,000 in additional revenue.

Surpluses Boosted
Corporation surpluses were boosted by the committee from 5 to 6 per cent on net income up to \$25,000 and from 5 to 7 per cent on net income over that figure. However, it knocked out a special house levy of 10 per cent on the profits of corporations which do not earn sufficient income to fall under the excess profits tax schedule.

President Roosevelt expressed a press conference opinion today that non-essential government expenditures could be reduced. He has advocated that for a long time, the president said, adding, however, that he did not pass the appropriation bills. He expressed his views when a reporter reminded him that Senator Byrd (D-Va.) had proposed a reduction in non-defense spending and suggested that the senate appoint an investigating committee. The senate finance committee endorsed Byrd's suggestions as it neared the end of its consideration of the \$3,688,500,000 tax bill.

WOMAN SAFE AFTER NIGHT IN TIMBER

Searchers Find Klamathite 15 Miles From Point Last Seen

Suffering from exposure, but holding up well after hours of wandering through thick underbrush and timber in the Huckleberry mountain country west of Crater lake, Mrs. Oliver Knott, 56, was home safe and sound at the family residence, 4415 Alta-mont drive.

Mrs. Knott was found shortly before 11 o'clock Thursday night in a tree near Union creek, 15 miles from the spot where she was last seen at 5 o'clock Wednesday afternoon. Fear of wild animals caused Mrs. Knott to take refuge in the tree and from there she first saw lights of a searching party, one of many which had scoured the wild country for the missing woman.

Tracks Found
According to Sheriff Lloyd L. (Continued on Page Two)

Local Nerves Jump As Rain Hits at Noon

Residents of the Klamath basin suffered from a good case of nerves for a few minutes just before 1 o'clock Friday afternoon when a heavy storm broke in much the same manner of the momentous cloudburst and flood of August 18.

After what seemed a great deal of water and hail had drenched the countryside, the sun peaked through for a few moments; hid its face and sent another drizzle of rain which lasted for several hours. Exact amount of precipitation could not be learned from the weatherman, but whatever it was gave promise of sending this year's weather figure up to that of last year's which was record breaking itself.

Forecast for the weekend was not encouraging to those who had made plans for camping or fishing trips. Rain seemed to be on the weather menu—and plenty of it. One of the town feeder lines was out for 39 minutes, according to the California Oregon Power company, when lightning struck shortly before 1 o'clock.

Looking Backward
By The Associated Press

REVIEW OF JAP ISSUE RUMORED AS IMMINENT

Konoye Message Said To Outline Nippon View in Pacific

WASHINGTON, Aug. 29 (AP)—The man-to-man discussion of American-Japanese relations by President Roosevelt and Ambassador Kichisaburo Nomura impressed diplomatic quarters here today as a possible first step toward a sweeping review of all important points at issue between the two nations.

Bolstering this conclusion was an official announcement from Tokyo this morning that the message which Admiral Nomura delivered to the president yesterday outlined the "imperial government's attitude toward the Pacific situation."

F. R. Dodges
The message, this announcement said, was delivered at the behest of Prince Fumimaro Konoye, Japanese premier, after a special cabinet meeting.

Asked at his press conference today whether he was hopeful now that "war in the Pacific can be averted," Mr. Roosevelt smilingly dodged making a reply by branding the question too long and too broad.

He had no comment on his meeting with Nomura and, to a question asking whether "we are getting anywhere," he replied there was no news on that today. The president said it had not yet been determined when he would see the ambassador again and that he could not say how soon or what would be the reply which will be made to the message from Konoye.

Reminded that the second anniversary of the world war was approaching, and asked whether the "outlook is any better," Mr. Roosevelt remarked he was making a speech Monday, which is the second anniversary.

TOKYO, Aug. 30 (Sunday)—(AP)—Japanese said today that Premier Konoye's message to President Roosevelt stressed Japan's desire to end the Chinese war, and spokesmen com- (Continued on Page Two)

Arson Charged In \$200,000 Lumber Blaze

SEATTLE, Aug. 29 (AP)—A devastating \$200,000 waterfront fire which swept through the buildings and yards of two large lumber concerns having numerous national defense contracts was described today by Fire Chief William Fitzgerald as the work of a firebug or a saboteur.

Three firemen were injured. The chief said that shortly before 8:40 p. m. last night, when the first alarm was turned in, people living near the yards saw three men run from in back of the building and flee along nearby railroad tracks. Fire Inspector E. Blaine Rossman set the loss at upwards of \$200,000. The plants were the Lumber Supply and Warehouse company and the Blackstock Lumber company.

"This blaze was not accidental," Chief Fitzgerald said emphatically. "It was set in several places and the flames spread with such fury that the whole rear of one building was enveloped before fire fighting equipment arrived."

"It might well be a case of sabotage, as the firms had national defense contracts." Ten days ago, a smaller fire destroyed lumber and set fire to a bridge across the inter bay district over the same railroad tracks, a mile and a half away in the same general area.

Calls Gas Shortage Rumors "Sabotage"



Deputy Defense Oil Coordinator Ralph K. Davies, left, charged that "sinister and planned" sabotage may lie behind the multiplicity of misinformation surrounding the east coast gasoline shortage. Above, Davies goes over the 51-page report which he submitted to the senate's oil shortage subcommittee with Sen. Francis Maloney, Conn.

Operation Attempted On Laval

PARIS, Aug. 29 (AP)—Doctors decided to attempt an emergency operation on Pierre Laval late this afternoon to remove an assassin's bullet from just below his heart to save his life.

(Since it was 8 p. m. in Paris at 1 p. m., EST., the operation may already have been performed at that time. Communications from the German-occupied French capital are slow.)

Fears Mount
Fears for the 58-year-old French leader mounted through the day as physicians attributed a sustained fever to a possible infection from the bullet wound, inflicted two days ago.

The doctors' anxiety increased as Laval's temperature, which stayed at 39 degrees centigrade (Continued on Page Two)

Nazi Envoy Charged by Argentine

BUENOS AIRES, Aug. 29 (AP)—German Ambassador Edmund von Thiermann was charged by a congressional investigating committee today with receiving money from ostensible German welfare organizations and using it for ends "foreign to his diplomatic character."

The committee, which has been investigating anti-Argentine activities for two months, submitted to the house of deputies its report on Nazi penetration.

It said there were 60,000 Germans in Argentina organized into cells and under oath to obey Hitler and other Nazi leaders "to the death."

CIO Agrees to End Strike At 17 U. S. Gypsum Plants

By The Associated Press
The defense mediation board announced today that a CIO union had agreed to end a strike in 17 plants of the United States Gypsum company.

Board officials said that the Gas, By-Products, Coke and Chemical Workers (CIO) said it was notifying 3000 employees on strike to return to their jobs at once.

TALLINN CLAIMED TAKEN BY NAZIS

22 Russian Ships Said Sunk in Storming Of Naval Base

BERLIN, Aug. 29 (AP)—German forces have stormed and taken Tallinn, fighting a naval battle which apparently is still continuing, and have delivered a crushing blow to the red naval forces in the Baltic, the German high command announced today.

Besides raising Adolf Hitler's banner over the Estonian capital, naval base on the Gulf of Finland less than an hour by bomber from Leningrad, official announcement said air and naval attacks had sunk 32 Russian ships—22 transports and 10 war vessels—and heavily damaged seven others.

Another Dunkerque
The Russians, who had defended Tallinn fiercely, were said by the Germans to have been literally pushed into the sea.

Frantic efforts were made to evacuate trapped red army forces by water, they said, and this accounted for the great concentration of transports.

German spokesmen called the end of Russian resistance in pocketed Tallinn "another Dunkerque" but there was no indication how many Russians managed to escape.

At the same time, the German informants claimed important gains farther east overnight on the line of the advance toward Leningrad.

Between Narva, at the Estonian-soviet border, and Luga, inside Russia about 75 miles to the (Continued on Page Two)

AXIS LEADERS STAGE FIVE-DAY MEET AT FRONT

Announce Aim of Removing War Causes, Cooperating Europe

BERLIN, Aug. 29 (AP)—Adolf Hitler and Benito Mussolini concluded a secret five-day meeting on the eastern front today with the announcement that they aimed at removing the causes of war and developing cooperation for all the peoples of Europe, predicated on complete axis victory.

Their meeting began on Monday, within sound of cannon fire on the front.

All Issues Discussed
(It started just 11 days after President Roosevelt and Prime Minister Churchill's Atlantic conference and expression of war and peace aims were announced.)

The communiqué disclosing the conference, which was attended by the highest military and political officials of both nations, said Hitler and Mussolini discussed "all political and military questions concerning the development and duration of the war."

It listed "destruction of the bolshevist danger and of plutocratic exploitation" as necessary to create the political, economic and cultural cooperation envisioned for Europe.

(The Roosevelt-Churchill statement of aims for world peace, freedom and prosperity envisaged the destruction of "Nazi tyranny.")

It was indicated that the fuhrer and the duce paid particular attention in their discussions to the length of time the war will continue.

The first authorized Berlin comment on this longest meeting the two axis chiefs yet have held was:

"The two men of destiny, the creators of a new order, have served notice there will not be another peace like that of Versailles."

The meeting was arranged and held with the greatest of secrecy, but there had been rumors for several days that Hitler and Mussolini were going to have some thorough-going talks.

The text of the statement from the fuhrer's headquarters said: "The fuhrer and I duce met (Continued on Page Two)"

Land Proposes Construction Of Oil Barges

WASHINGTON, Aug. 29 (AP)—Admiral Elmore S. Land proposed today construction of 100 oil carrying barges as the speediest and least expensive solution for shortages of gasoline and fuel oil long the eastern seaboard.

The blunt-spoken chairman of the maritime commission said he was opposed to construction of a huge new pipeline from southwestern oil fields to the east coast as it would take 750,000 tons of steel badly needed by the navy and maritime commission.

The admiral told a senate committee that the "barges could be towed by tugs and other ships and could be constructed at the rate of 20 a month starting in January, with about 100,000 tons of steel."

WARD IN FINALS

OMAHA, Aug. 29 (AP)—Marvin (Bud) Ward of Spokane, Wash., qualified for a try at his second national amateur golf championship by going into the final round with a 9 and 8 victory today over Bobby Riegel of Houston, Tex.

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