

# The Evening Herald

FRANK JENKINS  
MALCOLM EBY

Editor  
Managing Editor

Published every afternoon except Sunday by The Herald Publishing Company at Klamath Falls, Oregon, 1121 Main Street, Klamath Falls, Oregon.  
HERALD PUBLISHING COMPANY, Publishers

Entered as second class matter at the postoffice at Klamath Falls, Ore., on August 23, 1909 under act of congress, March 3, 1879.

Member of The Associated Press

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## NEWS BEHIND THE NEWS

By PAUL MALLON

WASHINGTON, Dec. 13.—It is said the small investors were the ones who got flustered and sold their stocks, sending the market into a tailspin at the outset of the war. The larger and wiser investors (banks and insurance companies) held on. They well knew that if this country is going to win this war—and who doubts it—the investments they had, were just as good as any they could get.

It seems, however, a great many people, upset by the shock of war cannot see the woods for looking at certain falling or leaning trees.

Certainly, taxes are going higher. Surely, some lines of business are suffering. Autos, for instance, may not maintain their recent profits during a change-over to defense armaments. But their earnings will be restored later when they get going in their new line, and after the war they will have a bigger world market than they ever dreamed of in the past. (So also with all our business in some degree.) Public utilities may suffer from costs rising against fixed rate limitations. Little business will be squeezed. But look at the woods as a whole. Taxes are not going to be raised to the point of confiscation or elimination. Probably \$150,000,000,000 is to be spent by the government if the war lasts long enough, and all this will go into business. Certainly this economic expansion will partly offset the increased taxes. Although profits are not likely to increase much, they cannot decline as much as the sagging stock market has been suggesting.

Dozens of stocks were selling at prices this week to bring 20 per cent annual return to stockholders in dividends. All business earnings, after taxes, this year are supposed to be 25 per cent over last. Distributed dividends will average 10 per cent higher.

Naturally the large investors, unperturbed by the sinking of a few snips or an air raid alarm, are hanging on to what they have.

### VICTORY—WHAT IT MEANS

The only threats to our ultimate financial stability are those which have been widely advertised—inflation, the big federal war debts, the vague possibilities of state socialism. If inflation comes, cash is the worst thing to hold. The economists say common stocks are as good as anything. If we win this war, as we will, the new world economic possibilities opened by victory will certainly provide an unprecedented debt. As for state socialism: This government, it is true, has made a few feints in that direction in a few past specific instances (public utilities) but it has announced the idea as a general policy. We are fighting for democratic liberty and against the national socialism of Germany and Italy. Socialism might well be expected if we lose this war, not if we win.

All these dreadful economic spectres of the past and present will be laid like ghosts if we just achieve one thing—victory. That is all we have to worry about.

### OBITUARY

**EDWARD HERMAN OLSON**

Edward Herman Olson, 57, a resident of Mt. Vernon, Washington, for the past several years, a native of Harlan, Iowa, passed away there on Wednesday, December 10. Mr. Olson was well known in Klamath Falls where he resided for many years. While in this city Olson was employed by the Golden Rule store. He is survived by his wife, Ina, and a daughter, Maxine, of Mt. Vernon, Wash.; a son, Odell, of Klamath Falls and a member of the police department. Funeral services took place in Mt. Vernon on Friday, December 12. The remains will be forwarded here, arriving Sunday morning. Commitment service and vault entombment will take place in the family plot in the Ashland, Ore., cemetery, on Monday, December 15, at 11 a. m. Ward's Klamath Funeral Home in charge of the arrangements.

When all of it is sifted one central fact remains—the civilization expressed by our American way of life has been arrogantly challenged by a hostile philosophy. — Dr. Harold S. Dodds, president, Princeton University.

Across the continent from Newfoundland to Alaska the Canadian government is building an aerial military "highway," a chain of radio beacons 250 miles apart to guide bombers or fighters or interceptor planes crossing America in an emergency.

We must not fail America and we must not fail ourselves.—President C. A. Dykstra, Wisconsin University.

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## SIDE GLANCES



"When Jones suggests table tennis, be sure and don't mention that I've bought a set and practiced every night for three weeks!"

## Auto Blackout Order

### Official Regulations for Control of Vehicular Traffic During Precautionary Blackouts

Highway traffic within city limits will be restricted to emergency vehicles such as fire, police and ambulance; commercial vehicles engaged in essential service such as milk trucks, newspaper delivery trucks, mail trucks and the regular transport freight services; and such private cars as those of physicians on emergency call and those required for transporting workers to and from employment. Metropolitan areas may take further precautions if considered advisable by local police authorities.

Highway traffic outside city limits will be subject to the restrictions noted above without exception.

Pending issuance of permits for operation during precautionary blackout periods, employers should furnish credentials to drivers of commercial vehicles and private cars which come under the permitted classifications.

For city driving, it is directed that as soon as possible after receipt of this order, all motor vehicles permitted to operate must be equipped with dark oilcloth or rubber mats or hoods attached securely to headlights, with a horizontal slit in the lower portion about 1/2-inch by 3 inches, covered inside with not less than two thicknesses of blue cellophane or one coat of blue lacquer paint.

License lights must be blacked out with an opaque covering. Tail lights must be hooded with an opaque material, leaving an aperture at the bottom not more than 1/4-inch in diameter. Side and clearance lights on trucks must be extinguished or completely hooded.

Use of fog or spot lights with or without covering is prohibited.

For operating on the open highways, beyond the corporate limits of cities, removal of the lower one-half of the hood will be permitted for the time being, provided the unhooded section is covered by at least two thicknesses of blue cellophane or one coat of blue lacquer paint.

In an emergency blackout during an air raid alert all vehicular traffic on all roads and highways must cease, except for emergency fire, police and first aid cars. All motor vehicles must proceed to the curb and all lights must be extinguished.

Official: December 10, 1941.  
CHARLES P. PRAY, Superintendent of State Police.  
JERROLD OWEN, State Defense Coordinator.

## Heavy Fighting Continues Along Malay Frontier

SINGAPORE, Dec. 13 (P)—A British communique admitted tonight that strong Japanese attacks had dented British defense lines in the jungles along the Malaya-Thailand frontier and said heavy fighting continued.

The penetrations, however, were described as local. The British, meanwhile, struck back by air at the bases from which the Japanese drove south into Malaya.

The war bulletin said the port of Songkha (Singora) on the east coast of Thailand 50 miles north of the Malaya frontier was bombed during the morning.

"All machines returned safely," the communique said, "but owing to ground mist it was difficult to estimate the damage inflicted."

## Air Licenses May Be Reinstated

Klamath private fliers whose licenses were suspended December 8, received word Saturday on the method by which the licenses may be reinstated.

Reinstatement will be in the following order of precedent:

- a. Instructors and students in certificated schools.
- b. Pilots at aircraft manufacturing and other defense plants.
- c. Pilots engaged in military ferry activities.
- d. Other pilot certificates.

An applicant must have some

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## JAP ASSAULT ON LUZON TO TEST FORCES

By DEWITT MacKENZIE

What appears to be an impending major assault by the Japs against strategic Luzon island in the Philippines is the important development at this writing in the battle of the Pacific—a further grim test for our defenders, and good luck to their stout hearts.

Luzon, on which lies Manila and the naval base of Cavite, is the key to the Philippines. While the loss of these islands wouldn't represent a decisive victory for the Japanese, it would be a heavy blow against our striking power at this juncture.

The enemy has concentrated heavy sea-forces off the province of Zambales, which is on the west coast of Luzon and throws a protective arm about Manila bay. As a further indication of a gathering storm, waves of Jap bombers early Saturday morning swarmed into the Manila area, where our fighter planes promptly engaged them and a fierce air battle developed.

Meanwhile Japanese land forces which had got ashore at various points in Luzon were waiting to cooperate with these fresh operations. One of these contingents, at Lingayen on the west coast, has been wiped out.

The din of this fresh conflict in the Far East must be music in the ears of Herr Hitler, as a red wave of disaster sweeps over his wavering lines in Russia. The Fuehrer certainly caught the Japs in a sweet horse-deal when he pushed them into the war by persuading them that he was a sure winner.

Even as the Japs struck at us in the dark, the Nazi armies in Russia were on such a tough spot that now only a few days later, the Moscovites report successes which lead London military commentators to believe the Nazis may be headed for a catastrophe. Had Tokyo waited a week longer before making its decision, it might never have attacked the best friend it ever had.

Once again at a psychological moment Hitler has achieved a major diplomatic victory. As Russia starts to knock the gilt off his ginger-bread, he unloads a bundle of his troubles onto the narrow shoulders of the Japs.

There is another aspect of the battle of the Pacific from which our attention has been distracted because of preoccupation with the shock of our sudden plunge into the second World War. We have momentarily overlooked our very patient and good friend John Chinaman, who bids fair to play a tremendously important part in this conflict.

The Japanese had barely launched their attack on America and Britain when the celestials began an offensive against Jap-held Canton, the great

## SEALS TO BE SOLD IN BUSINESS AREA

Several downtown locations where the anti-tuberculosis Christmas seals may be secured were designated by Mrs. Bert E. Hawkins, the general chairman.

The seals are now on sale at the post office news stand, at Garcelon's Electric store, at Mrs. Constable's, 1121 Main street, the chamber of commerce and at Lee Hendricks drug store on South Sixth.

Those who did not receive seals through the mail and desire to purchase them for use on holiday letters and packages are urged to get them from any of the above locations.

## Donations for Red Cross Being Asked

KENO—Mrs. Ross Putnam has been asked to take charge of donations for Red Cross war relief. The need is great and it is hoped everyone will contribute what they can towards the fund.

Donations may be left at the Keno store, Keno cafe, Pine Tree auto camp, Turner's Service station, Hochkiss store at Ellingson mill and Mrs. Putnam at the Keno school.

## Saturday Set for Monte Carlo Night

Monte Carlo night, an annual affair, is set for the Klamath Falls Elks club Saturday night. A large attendance of Elks is expected at this traditional event. Entertainment and free refreshments are on the schedule.

In Colorado, the timberline is at 10,000 feet; in Alberta, Can. it is at 7000 feet.

**News Scoop!**

President Roosevelt's War Declaration Speech!

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Feature Times Sunday 1:42 - 3:46 - 5:50 - 7:54 - 9:58

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**Puddin' Head**

with JUDY CANOVA • FRANCIS LEDERER • Slim Summerville

— HIT NO. 2 — "HARD RIDIN'... DRIVIN' ACTION!"

**RED BARRY** as the **WYOMING WILDCAT**

Republic Picture

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## DRIVERS WARNED ON BLACKOUT LIGHTS

SALEM, Dec. 13 (P)—It is illegal to drive with blacked-out headlights outside of blackout periods, Chief of State Police Charles P. Pray warned today.

He said vehicles which must be on the highways and streets both during and outside blackout periods may use two spotlights outside the periods, and their rear blacked-out lights during blackouts.

Pray said officers would warn all persons who merely have cellophane light coverings, which are illegal at all times. Regulations require that lights be covered with heavy black material, through which a slit three inches by one-half inch should be cut. This slit must be covered by two thicknesses of blue cellophane or one thickness of blue lacquer.

## Courthouse Records

**FRIDAY**

Complaints Filed

Klamath lodge, No. 137, Independent Order of Odd Fellows versus Fred S. Everly. Suit to collect \$1000 back rent on vacated business establishment. J. H. Carnahan, attorney for plaintiff.

Justice Court

Esper Claras Highley, no stop light. Fined \$5.50, suspended.

Alfred A. Contreras, contributing to the delinquency of a minor. Time taken. Bond \$1000 cash or \$2000 property. Committed to county jail.

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Read the Classified page.