

\$25,000 PAY BOOST SLATED IN MILLS HERE

(Continued from Page One)

ments carried with them the week's vacation with pay provision.

A spokesman for the Kesterson Lumber company said the increase also affects employees of the Klamath Timber company, Kesterson woods units.

It was expected that a smaller Klamath area mills would follow the general increase in the near future.

Store Closing Hours Corrected

A correction on closing hours for Saturday, Monday and Tuesday evening's for men's stores was made Friday, following publication of a story they would be open until 10 p. m. on those evenings.

Several of the stores, it was learned, will close at 9 p. m., instead of 10 p. m.

Men's stores generally will be open until 7 p. m. Christmas eve.

ESQUIRE Today and Saturday

Show Today 2:00 - 7:00 - 9:00
SAT. CONTINUOUS FROM 12 NOON

THEY'RE ROMANTIC
IN ITS RHYTHM!
Fred MacMURRAY
Mary MARTIN
Robert PRESTON
in
NEW YORK TOWN
Ted Lewis Musical Novelty

Glimpses of Florida
Mickey Mouse Cartoon
Paramount News

Starts **SUNDAY**
Continuous Shows From 12 Noon

"...and I thought monkeys were the cwaziest people!"

Why not a good pair of Hunting or Outdoor Shoes for his Xmas — The Gun Store — 714 Main.

Looking for Bargains? Turn to the Classified page.

"WORLD PREMIERE"

A Paramount Picture with
JOHN BARRYMORE
FRANCES FARMER
EUGENE PALLETTE
VIRGINIA DALE
RICARDO CORTEZ
DON CASTLE
FRITZ FELD

Directed by TED TETZLAFF

Racket Busters
HUMPHREY BOGART
GEORGE BRENT
GLORIA DICKSON
ALLEN JENKINS

"Racket Busters" at 8:15
"Boys From Syracuse" at 7:01 and 10:02

Serial Thrills in "HOLT OF THE SECRET SERVICE"
Color Cartoon Fun — Late War News

Non-Saluting Guard Answers Rebuke in Black and White

SACRAMENTO, Dec. 19 (AP) — A commissioned officer presented his pass to the sentry at gates to Mather field and drove in, but there was no salute from the guard.

The officer returned, brusquely asked why there was no salute and received this reply:

"Sir, the tenth general order taken from the soldier's basic field manual instructed me to salute all officers and all colors and standards not covered. You had the glass rolled up on your car, so I supposed you were cased."

Public relations officers at the field, who released the story, did not release the officer's reply.

COURT FIGHT SET ON CIGARET TAX

(Continued from Page One)

on the ballot next November, but the attorney general two days ago held that expense accounts filed in connection with the referendum were insufficient.

"As the situation now stands, the referendum against the cigarette tax will not be placed on the ballot," Snell said.

The measure would raise about \$1,200,000 a year, with five-sixths of the revenue being used for old age pensions and one-sixth for vocational education.

The measure was passed in the closing hours of the legislature after a stormy battle.

The tax commission explained it probably would take a few weeks to prepare for collection of the tax, and that in the meantime, the court fight probably would start.

It was expected that the sponsors of the referendum would go directly into supreme court in a mandamus action either against Snell or against the tax commission.

PORTLAND, Dec. 19 (AP) — The fight to have the two-cent-per-package cigarette tax placed before the voters will be continued, G. J. McPherson, secretary-manager of the State Retail Grocers association, declared here today.

The statement followed receipt of information from Salem that Secretary of State Earl Snell had accepted an attorney general's ruling that the measure, passed by the 1941 legislature, should not be placed on the ballot.

McPherson repeated the association's position that "such a tax was a nuisance tax and should be submitted direct to the voters." He said the association would take whatever legal steps were proper to force a court decision on the referendum. He said he believed action would be direct before the state supreme court.

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REDS DESTROY NAZI DIVISION SAYS MOSCOW

(Continued from Page One)

was said to be still in axis hands.

British forces were reported advancing "in all directions" west and north of Mecklin, 40 miles below Derna, with the Germans and Italians fleeing in two bodies — one heading toward Derna and the other toward Bengasi on the Gulf of Sirte.

The thrust to Derna airport meant that the British had fought their way approximately 195 miles across the desert from the Egyptian frontier since November 18, when the new campaign was launched with American-made tanks and planes.

A British spokesman said imperial troops had captured Gazala, 40 miles west of Tobruk, on Wednesday morning.

In axis counter blows, Premier Mussolini's high command asserted that Italian torpedo planes and German fliers had hit five British cruisers in the Mediterranean—three in attacks on a major naval formation off the coast of eastern Libya.

The German high command said a Nazi U-boat had sunk one of the five—a cruiser of the 7270-ton Leander class—off the Alexandria, Egypt, naval base.

Spain Neutral

While axis fortunes waned in the winter-frozen land of the Soviets and on the sands of North Africa, a new and important blow to the Rome-Berlin aggressors was obliquely dealt by Spain.

Blasting axis hopes that Spain might now enter the war in the world-wide alignment of the democracies against the dictators, the Spanish government announced that Spain would maintain her position of non-belligerency.

In effect, this means that Spain has flatly rejected pressure for the passage of German troops through Spain for an attack on Gibraltar and a shortcut to seizure of north and west African bases.

Portugal in Doubt

Meanwhile, Portugal's position in the conflict awaited clarification as rumors circulated in Lisbon that Britain had twice in recent weeks demanded the Azores from Portugal.

Dispatches from Bern, Switzerland, indicated that newspapers in both Germany and Italy were drumming up propaganda to swing Portugal into the axis camp, with the fascist press expressing alarm lest the allied seizure of Portuguese Timor in the south Pacific be followed by anti-axis occupation of the Azores and Cape Verde islands in the Atlantic.

The Berlin correspondent of the Swiss newspaper, La Suisse, said Germany was anxiously awaiting Portugal's attitude on the Timor move for its bearing on the situation of the Atlantic islands.

On the Russian war front, Soviet dispatches said that the red armies had reached the approaches of Ruzsa, 50 miles due

west of Moscow, and that "the rate of our offensive is growing noticeable."

The Russians reported heavy blows were being struck at German rearward communications to disorganize Hitler's already headlong retreat from Moscow.

Trains, trucks and buses were subjected to the pounding and the soviet information bureau announced the destruction by red aviation December 17 of about 750 trucks loaded with troops and supplies, and a number of buses, while 10 trains were reported set on fire and upwards of 6000 men annihilated or dispersed.

Soviet ground forces, furthermore, were said in Moscow to have destroyed 106 German trucks, an ammunition dump and a military supply depot on a single day on the Moscow front.

Altogether, said the communist party newspaper Pravda, the Russians recaptured 138 more villages on the central front.

The military expert of Hitler's own newspaper, Voelkischer Beobachter, a Lieut. Col. Soldan, was quoted by a Swiss paper as admitting that the Russian soldiers equalled—and even surpassed in some cases—the Germans. Soldan said Germany had underrated the Russian army, economy and war industries, the Swiss dispatch added.

SERVICE FLAG
LOS ANGELES, Dec. 19 (AP)—Remember the service flags of World war days? A Los Angeles bank proudly unfurled one with 124 stars yesterday—one for each former employe now in military service.

PEDESTRIAN KILLED
PORTLAND, Dec. 19 (AP)—A pedestrian, identified as Allan Lee Smith, about 65, Portland, was killed last night on Barbur boulevard by an automobile a quarter of a mile outside the city limits.

Visitor in City—Glenn Jackson, vice president of the California Oregon Power company, was a visitor in the city from Medford Thursday.

A Gun Case — a Sleeping Bag — a Camp Axe for his Xmas — The Gun Store — Puckett and Houston — 714 Main.

TOO LATE TO CLASSIFY

FOR SALE—Platinum wedding ring with seven diamonds, \$45 cash. Box 4547, News-Herald. 12-20

DON'T LET BLACKOUTS INTERFERE WITH YOUR NORMAL EVENING BUSINESS. LET us design and install a light-proof entrance that will also allow access to your premises during blackouts. WE are equipped to do this job efficiently and cheaply. Work will be done in our shop, not interfering with your regular entrance traffic. OUR installation will allow outside identification of your place without danger of observation. Should build business. Easily removed during daylight hours.

HOWARD REEDER
El Dorado Bldg. Co.
1709 El Dorado Blvd.
Phone 8441. 12-20

OIL TO BURN — For Union heating oils, phone 8404. Klamath Oil Co., 615 Klamath. 12-31mf

FOR SALE—Electric train. Lots of extras. Good as new. Reasonable. Phone 5390. 12-22

TWO-ROOM cottages. Wood. TWO-ROOM COTTAGES. Wood. Lights, gas furnished. \$30 month. Link River Auto Camp. 340

DRIVING TO OMAHA December 24. Take two for company. Phone 9055. 12-20

BRISSELL'S Vanity Type Carpet Sweeper, used very little, \$3.95. Beautiful natural knot cedar chest, cedar inside and out, \$12.50. 2012 Main, Apt. B. 12-20

ON OUR STAGE TONIGHT and Saturday and Sunday!

YULETIDE STAGE REVUE
Featuring Students of the
ISA DORAH MOLDOVAN DANCING ACADEMY

25 TOWER 2 BIG HITS!
ACRES OF FREE PARKING NEXT TO THEATRE
TODAY — TOMORROW ONLY!

HE'S FIGHTING A WAR FOR AMERICA'S LIFE!

Broadway's great stage hit becomes a greater spectacle of the screen!

JOE PENNER **MARTHA RAYE**
IN
THE BOYS FROM SYRACUSE

RACKET BUSTERS
HUMPHREY BOGART
GEORGE BRENT
GLORIA DICKSON
ALLEN JENKINS

"Racket Busters" at 8:15
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WAKE ISLANDERS STILL HOLD OUT

(Continued from Page One)

no new developments to report.

"Eastern Pacific—There are no new developments to report.

"Central Pacific—There have been two additional air attacks by the enemy on Wake Island. The first occurred on the night of the 17th-18th and was comparatively light. The second was in greater force and occurred in the forenoon of the 19th. Wake Island continues to counter these blows.

"Far East—There are no new developments to report."

The United States got cheering news that its Caribbean flank had been made more secure against potential attack when it was learned authoritatively here an agreement had been reached with officials of the Vichy French government in Martinique under which the neutral status of that and other French possessions in the western hemisphere will remain unchanged. Likewise neutralized were French naval vessels on this side of the Atlantic. The French naval units at Martinique include an aircraft carrier and a cruiser.

The accord reportedly was worked out by U. S. Rear Admiral Frederick R. Horne, who flew to Martinique, and Admiral Georges Robert, French consul for western hemisphere colonies. The United States, it was learned, will continue to permit trade with the French possessions in the Caribbean; in turn, the French pledged they would take no action detrimental to this nation's interests.

By R. P. CRONIN JR.
MANILA, Dec. 19 (AP)—Two waves of Japanese bombers, flying at 30,000 feet, flew over the vital naval base at Cavite, in Manila bay, in less than two hours today in short, quick thrusts and the first left a giant column of smoke billowing in the sky.

A communique issued by the U. S. Far Eastern command said no reports of bombing by the second wave of planes had been received at 4:20 p. m. nearly three hours after the raiders flew over the Manila area.

The Far Eastern command also announced that "military objectives" in the vicinity of Tarlac province, northwest of Manila on Luzon island, were bombed Thursday afternoon by a small number of Japanese planes.

Knox Praises Pearl Harbor Defense Force

(Continued from Page One)

Japanese planes would have made all the difference in the world."

"I say this with considerable confidence because that assault was divided into three attacks. The third assault came two hours after the first one. With all of the resources that were left, . . . we were ready, and that attack never got home.

"It encountered, as it approached Pearl Harbor, such a barrage from every gun and every ship that the enemy planes had to sheer off, and not a single torpedo found its mark or did the slightest damage to our ships or to our equipment ashore."

On the other hand, he told the midshipmen, "We ought to have been on our guard against treachery. If we had studied Japan's record in the war with Russia when, in a similar manner, they descended upon the Russian fleet at a moment when those two nations were still at peace and destroyed that fleet without warning—if we had studied that and remembered that, we would not have been surprised."

But the attack did serve a useful purpose, he continued, because it drove home "with frightful force upon the minds of our military leaders the importance of guarding against surprise, the importance of never underestimating the boldness and resourcefulness of the enemy; and upon the civilian population, it drove home with a sense of horror the treachery of the foe we have to defeat.

"This gave us what we must have and now do have—a completely united country for the prosecution of a war to a successful conclusion. So out of this affair of treachery, ultimate good comes."

BUY TICKETS NOW For the **GALA NEW YEAR'S EVE MIDNIGHT SHOW**

Wednesday, Dec. 31st
Doors Open 11:30 P. M.
Show at 12 Midnight

FREE! NOISEMAKERS SERPENTINE BALLOONS HORNS

TO EVERYONE! LAUGH THE OLD YEAR OUT! SCREAM THE NEW YEAR IN!

A Great Screen Show Just Made to Make You Happy and Gay!

ESQUIRE

OLD SPEAS BRAND Apple BRANDY

QUART \$2.20
PINT \$1.15

JEAN CO. KANSAS CITY MO

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ESQUIRE

CITY BRIEFS

Christmas Party — The Veterans of Foreign Wars auxiliary will sponsor the annual Christmas party at 8 o'clock Saturday night in the library club rooms. There will be a short program and potluck luncheon will be served. All members of the post and auxiliary are cordially invited to attend and bring children for their Christmas treats. All members of the auxiliary are asked to bring their gifts for the infirmary.

In Kentucky—Ladd D. Hoyt, son of Mr. and Mrs. R. O. Hoyt of this city and now stationed at Fort Leonard Wood, Mo., will spend the Christmas holidays with his aunt and uncle, Lt. Colonel and Mrs. Stickman of Fort Knox, Kentucky.

Rotary Entertained By Choir; College Party Scheduled

The a cappella choir of Klamath Union high school presented several Christmas numbers at the Friday noon meeting of the Klamath Falls Rotary club, with Charles Stanfield as director and Patricia Brown as soloist. President Hod Eiler of the Rotarians led the club in a spontaneous ovation for the young singers.

Miss Brown was soloist in a special arrangement of the old favorite, "Silent Night."

Arnold Gralapp was chairman of the day. A number of Tulelake Rotarians were guests.

It was announced that Rotarians next week will be hosts to all young people home from the universities and colleges for Christmas vacation. An effort is being made to get in touch with all the collegians, and anyone knowing of any boy or girl not on the Rotary list was urged to telephone Lee Jacobs at 5515 and an invitation will be issued.

Old Mother Hubbard — so sorry! No Wisland's Beer in cupboard!

BRITISH EVACUATE ISLAND OF PENANG

(Continued from Page One)

possibly the Krian river line where the British hope to halt the Japanese for good some 300 miles from Singapore.

All equipment also was withdrawn and the island now is completely deserted by Europeans with the exception of two British doctors who remained behind to attend wounded from recent air raids.

This afternoon's communique of the combined British commands reports continued opposition to Japanese thrusts in northern Malaya and said that

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STANDARD STOVE OIL in a CIRCULATING HEATER.

Healthful warmth on the chilliest days — spreading to every part of the room — clean, uniform and inexpensive. Call on us for more comfort this winter.

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Correct Design! Low Price!

Super Blonde Maple Skis
New eye-catching beauty—clear maple, finished in pure white color! Standard F. I. S. models (built according to specifications approved by the Federation Internationale de Ski). New military tip, reinforced heel. Hand-formed ridge tops. Bargains! Buy your equipment on credit. **6.45 pair**

Easily worth \$10

Ridge Top Hickory Skis
Standard F. I. S. models (see above) . . . select second-growth southern hickory! Matched pairs, hand-formed ridge tops. Have new silver base—waxed bottoms. New military tip . . . dark walnut finish. Special value! **6.29 pair**

Some skis with Lettner-type metal edges . . . 13.95

STRONG TONKIN CANE SKI POLES **3.29 pair**
Covered with "Duraloid" for protection and extra strength! Double rattan 6½-in. snow ring, leather-laced. 4¼, 4½-ft. . . .

WARDS TOURING-TYPE BINDINGS **2.35 pair**
Low-priced, good quality bindings for cross-country skiing. Chrome-tanned leather side straps. Clamp-type heel spring. . . .

FRONT THROW-CABLE BINDINGS **3.49 pair**
Ideal for advanced skiers. Low hitch irons for fast downhill skiing! Adjustable for cable tension. An amazing value!

SKI TIES OR METAL FOOTPLATES **25¢ pair**
Heavy rubber bands with metal hooks . . . handy for carrying skis. Footplates are stainless polished metal over cork.

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