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ASSOCIATED PRESS

IN THE SHASTA-CASCADE WONDERLAND

UNITED PRESS

PRICE FIVE CENTS

KLAMATH FALLS, OREGON, WEDNESDAY, DECEMBER 31, 1941

Number 9472

WEATHER

Low 18
PRECIPITATION
Season to date 5.68
Normal precipitation 4.21
Last year to date 3.97



COLDER

In The Day's News

By FRANK JENKINS
PRIVATE dispatches received in New York today indicate that the fall of Manila is imminent.

ARMY headquarters in the Philippines report that MacArthur's forces, DESPERATELY OUTNUMBERED, are falling back under the assault of Japanese infantry, tanks and dive bombers.

The Japs apparently have complete control of the air over Luzon.

The U. S. army is attempting to evacuate 300 seriously wounded Americans by sea from Luzon island. Success or failure of the attempt is not apparent as these words are written.

KEEP this in mind (to steady your nerves):
American war plans have never called for permanent defense of the Philippines. Now, projected suddenly into a world war, it is too late to change.

IN London today British "authority" says:
"Allied strategy calls for defense of Singapore WITH ALL THE MEANS AT OUR DISPOSAL in order that it may become the base for the offensive to be launched in the Pacific area."

WE thus have before us today the probable picture of events to come.
Manila will probably have to be given up. Attempting to defend it would be too dangerous. Jap command of the air can't be disregarded.
The American Asiatic fleet will doubtless be based on Singapore, and both defensive and offensive operations conducted from there.

TAKE a look here at your map. It will convince you quickly enough of the supreme importance of Singapore. With Singapore gone, the Japs would not only have the oil and rubber of the Dutch East Indies, but the way would be cleared for them to attack the British in the rear in the Middle East.
If such an attack should be made and should be successful, it would rescue Hitler from the worst of his difficulties.

A THOUGHT at this point for tonight's New Year's Eve celebrations:
With your country confronted by the gravest emergency in its history, be serious rather than frivolous.
Take it easy. Be moderate.
A next morning headache never helped anybody's efficiency. National efficiency is what we need ABOVE ALL ELSE.

A YEAR ago today Hitler, in a New Year's message to his troops, said:
"The year 1941 will BRING COMPLETION of the greatest victory in our history."
Today, speaking again to his soldiers in a New Year's order of the day, he says:
"1941 HAS BEEN a year of heaviest decisions and most sanguinary fighting but WILL BE known in history as the year of our greatest victories of all times."
He adds that Russian power must be definitely smashed.

WHILE Hitler was thus addressing his people and his soldiers, the Kubyshayev (Russian) radio was broadcasting:
"In 1942, we shall chase every German out of Russia and score a final victory."
Remember that it will be DEEDS, not words, that will lick Hitler.

ON the favorable side, the Russians recross the Kerch Strait, retake the town of Kerch, press on to the west and give every proof of possession of sufficient power to throw the Germans out of the Crimean peninsula.

REDS CAPTURE RAIL CENTER NEAR CAPITAL

Stalin Urges Troops To Clean Crimea Of Germans

MOSCOW, Thursday, Jan. 1 (AP)—The red army has captured the important center of Kaluga on the Moscow front, a communist said early today.

Kaluga, rail center of the Oka river, is somewhat more than 100 miles south of Moscow. It has been one of the main objects of the Russian Oka river counter-offensive.

The railway junction of Novy Kiriski and a number of other points were also reported recaptured.

MOSCOW, Dec. 31 (AP)—Soviet fighting men who smashed axis troops in the Crimean panhandle during a 48-hour battle, recapturing two cities, were exhorted by Premier Joseph Stalin today to rid the whole peninsula of the Germans "and their Rumanian and Italian underlings."

Lifting of the six-week siege of Sevastopol, the Soviet Black sea naval base, obviously was an intermediate objective.

The fortified city of Kerch, a potential gateway to the oil-Caucasus on the narrow strait linking the Azov and Black sea port of Feodosiya, 55 miles to the southwest, were regained yesterday, the government announced.

"Retreating on both these sectors, the enemy is being pursued by our units," the soviet information bureau said.

Red army and navy forces—"valiant troops x x x and glorious seamen" in the words of Premier Stalin—cooperated in the counter-invasion, striking hard and swiftly against Kerch from the east and Feodosiya from the south.

Mercury Slides To 13 Degrees on Last Day of Year

A rush on tire chains and other cold weather equipment was felt by automobile accessory shops as Old Man Winter maintained his seat on the Klamath hills and watched the mercury slide to a new low for the year.

Minimum temperature in Klamath Falls early Wednesday morning, last day of the year, fell to 13 degrees, coldest day of 1941. It was 33 degrees maximum on Tuesday, the US weather bureau stated.

Said crowd residents shivered in a two degrees above zero temperature at 8 o'clock Wednesday morning, and at Chemung a minimum of 10 degrees above was reported to the state highway department. Roads were in excellent winter driving condition and well sanded, it was said.

Contributions Received By Red Cross in War Relief Campaign

Contributions previously acknowledged	\$4058.88
Contributions received Wednesday	168.50
Total	\$4227.38

Plans for awakening Klamath's business and industrial interests to the necessity of making sizeable contributions to the Red Cross war relief fund were discussed at the Red Cross board meeting Tuesday.

Small contributions are coming in steadily and satisfactorily, it was pointed out, but Klamath cannot hope to fill in its \$10,000 quota without immediate and heavy response from the business district. Such responses have been few and far between to date.

It was noted with some humiliation that two counties—Lane and Deschutes—have already completed their quotas with plenty to spare. This leaves Klamath in an unfamiliar position at the rear, with over \$5000 yet to go before the quota is met.

The board urged immediate and generous response from large firms, as well as from individuals who have not yet made their contributions and emphasized that it is the Red Cross that must undertake relief if the blow should fall on the U. S. mainland, in addition to aid being given to the armed forces.

The following contributions had been received by Wednesday noon:

Rudolph Sostak, Malin	\$2.50
Fred H. Barlow, Malin	1.00
Ivan Ottoman, Malin	1.00
Monte English, Malin	1.00
Mrs. Rajnus, Malin	1.00

(Continued on Page Two)

Two Mysteries, Flood Top Local News for 1941

Airport Development Leading Story Of Progress

By ARTHUR BREMER
"War Declared!" transcended all local news as the year 1941 drew to a close, but war's blackouts and threats of stern sacrifice failed to obscure entirely a handful of local events that splashed the front page earlier in the year.

In contrast to other recent years, however, when more than 10 events clamored for places, the selection of 1941's "Big Ten" developed into a struggle to find even 10 stories that were outstanding.

Included in this year's top 10 stories are violent death, flood and fire, as well as community progress and noteworthy improvements, but high on the list are headings that denote accumulated stories and not single, banner-line events. It was not a year that could be called dull from a news standpoint, but there was a lack of "hot" stories.

Vying for leadership, on the basis of impact and lasting interest, were two stories of violent death. Both had that element of mystery required to leave the reader's disgust at the facts themselves and both entailed considerable detective work and astute deduction, but the death of Marie Russell took precedence over the Buffalo Lumber robbery slaying. It struck deeper.

Miss Russell, a 17-year-old high school girl, was found unconscious and fatally injured on the Dallas-California highway north of Wocus. Four days later she died and officers announced that Eugene Smith was under arrest after his license number, jotted down by Fire Chief Keith Ambrose at the time Miss Russell entered Smith's car, had been traced to Medford. Smith pleaded guilty, told how Miss Russell jumped from his car, and was sentenced to five years for failing to stop at the scene of an accident. Although this formally (Continued on Page Six)

The Big Ten
Here in order are the ten events that made the biggest news stories of 1941 in Klamath:
1. Marie Russell Case.
2. Buffalo Lumber Robbery-Slaying.
3. Flood in August.
4. Airport Development.
5. Ewauna Lumber Fire.
6. Defense Activities.
7. Labor Organization Drive.
8. School Administration Change.
9. Traffic Lights.
10. Cannalonga Wreck.

BRITISH DESTROY MORE AXIS TANKS

Heavy Loss Inflicted In Stopping Nazi Escape in Libya

CAIRO, Egypt, Dec. 31 (AP)—Heavy fighting took place south of Adegabia yesterday and considerable damage was done to the armored forces of German Gen. Erwin Rommel, the British announced today.

Rommel used the full strength of his tank forces and strong infantry elements in a determined effort to prevent a British sweep around his southern flank, today's communique said.

A heavy engagement resulted. Many of the German tanks were smashed and much motor transport was shot up.

In the same general area the day before, when the British claimed to have destroyed 22 German tanks and crippled 20 others, British losses amounted to 14 tanks, the communique said. The Germans and Italians had claimed the destruction of 74 British tanks on that day and the previous one.

British artillery shelled Bardia in the frontier area and sank a small vessel in the harbor, the communique added.

Solons Agree On President's War Spending

WASHINGTON, Dec. 31 (AP)—Congressional leaders agreed enthusiastically today to President Roosevelt's program for channeling half the national income into the war effort in the next fiscal year.

Democrats and republicans alike declared there was not the slightest doubt that congress would honor every qualified request for funds to building up the nation's fighting power.

The only question that bothered any of them was whether machines and manpower were available to absorb the 50 odd billions of dollars to be poured into the industrial military structure.

As to that, however, Senator Austin (R-Vt.), the assistant republican leader, said that the president obviously was thoroughly informed on the industrial situation and knew what could be done before approving such a vast projected outlay.

"Our expenditures are going to be limited only by our capacity in industrial facilities and in trained manpower," Austin told reporters. "There will be no question about congress appropriating the necessary funds."

Many Injured In Ecuador Quake

GUAYAQUIL, Ecuador, Dec. 31 (AP)—Many persons were injured and several old buildings shaken down by a strong earthquake which shook the Guayaquil area shortly after noon today.

The main shock was felt for almost a minute.

From newer buildings in the central part of the city facades, cornices and plaster fell into the streets.

Cold Wave Hits Southeast Europe
NEW YORK, Dec. 31 (AP)—A Toulouse radio broadcast reported today a wave of cold and snowstorms over southeastern Europe, with 25 peasants said to have frozen to death in southern France.

In Sofia, Bulgaria, the temperature dropped to 13 degrees below zero Monday night, it said. CBS heard the broadcast.

DIPLOMATIC BREAK CARACAS, Venezuela, Dec. 31 (AP)—Venezuela severed diplomatic relations with Germany, Italy and Japan today.

HITLER SAYS FORCES WILL SMASH REDS

New Year Talk Calls 1941 Year of 'Victories'

BERLIN, Dec. 31 (Official Broadcast Recorded by AP)—Adolf Hitler, in a New Year's order to his troops, declared today that the Russian winter counter attack "must and will be frustrated" and that the year 1942 would see the soviet power broken completely.

Addressing his troops on the eastern front, the fuhrer asserted that "Germany does not want and can not afford to be involved in battle again every 25 years . . . and engage in a new war for 'to be or not to be.'"

End of War
"Also Europe can not eternally continue to lacerate itself merely that the gang of Anglo-American and Jewish conspirators may satisfy itself by its selfish machinations.

"The blood which has been spilled in this war shall be, we hope, the last to be spilled in Europe for generations."

Premise Recalled
His final words were these: "We all shall therefore ask God Almighty that the year 1942 will bring the decision for the rescue of our people and of the nations allied with us."

(In his speech last New Year's Hitler declared flatly "the year 1941 will bring completion of the greatest victory of our history.")

Hitler's order of the day, broadcast by the Berlin radio, said 1941 "was a year of heavenly decisions and the most sanguinary fighting" but predicted that "it will be known in history as the year of the greatest victories of all times."

"The enemy's attempt during the winter of 1941-1942 to again avert his fate by attacking us again must and will be frustrated. Yes, on the contrary, in the year 1942 we shall again get hold of this enemy of mankind (Continued on Page Two)

Japs Claim Damage Done In Singapore

SINGAPORE, Dec. 31 (AP)—British headquarters said today that "offensive actions have been taken with good results" by British patrols against some of the Japanese invaders of Malaya and that pressure on the Perak front was slight.

TOKYO, Dec. 31 (Official broadcast recorded by AP)—The naval section of imperial headquarters said today that Britain's Far Eastern military headquarters and other military and naval establishments were severely damaged in a mass raid on Singapore Monday night.

Not until the dawn Tuesday did Japanese naval fliers cease pounding the British base at the tip of Malaya, a communique declared. Huge fires were said to have been caused. The communique said the Seleta and Kran air fields were demolished. "All planes returned safely despite heavy enemy anti-aircraft fire," the Japanese reported.

Churchill Puffs on Lit End of Cigar

OTTAWA, Dec. 31 (AP)—Even prime ministers get flustered.

When Canadian newspapermen presented Prime Minister Churchill with a sealskin fur hat today he laid down his torpedo-shaped cigar to try the hat on.

Then, when he stuck his cigar back in his mouth, he used the wrong end, and was forced hastily to brush away the ashes and rub the momentary burn.

Gross Income Here Hits Peak in 1941, But Future Clouded

The Klamath country has just come through one of the most profitable gross-income years in its history, according to Mitchell Tillotson and G. C. Blohm, local bank managers. While the future of business is clouded with uncertainty, Klamath can look forward to the post-war years with an optimism not possible in many communities where war activities have been pronounced.

While curtailment of production, restrictions on sales, reduction in tourist travel and movement of labor to defense areas somewhat darkens the picture, both bankers agreed that the rise of prices generally in the United States indicate a good volume of business for 1942, and perhaps for several years.

Their reviews follow.

By MITCHELL TILLOTSON
Manager, Klamath Branch, First National Bank
Klamath county has just completed one of the most profitable years in its history. This is particularly true with reference to gross income. To November of 1941 farm prices generally throughout the United States had increased an average of thirty-five per cent. While Klamath county did not feel the full effect of this rise in agricultural prices the gross income of farmers and livestock men generally has been much in excess of immediately prior years.

Commodities which have reflected the highest percentage of price increase have been dairy products, eggs, poultry, cotton, livestock and wool. Up to November 1 prices of grains, hay and potatoes had not shown correspondent increases relative to other agricultural products, but increases in prices of these commodities since that date have been satisfactory and generally in line with price rises in farm commodities throughout the country.

The prices for pine lumber and pine boxes have been generally satisfactory for the year particularly in the last half. These factors have been responsible for high gross income on the average throughout the country. It must be remembered, however, that this is only a part of the picture and that under war conditions the relationship of gross income to net return is badly distorted as compared with peacetime operation. Net return after taxes will therefore be comparatively small when considered in the light of the high gross returns received. The factors which contribute to the radical reduction of this differential are well known to us all. These factors are, of course, increased cost of (Continued on Page Two)

SINGAPORE CHOSEN AS ALLIED CENTER

British Base Will Be Defended to Limit, Says Informant

LONDON, Dec. 31 (AP)—Allied strategy calls for defense of Singapore "with all the means at our disposal" in order that it may become the base for the offensive to be launched in the Pacific area, a British authority said today.

Japanese are in full control of the western Pacific area, he said, and British forces are built up to regain control.

A serious threat to Singapore may develop if the Japanese establish strong air forces on the Japanese-occupied island of Penang, off the Malay west coast, this source declared, and such a force would be able to "exercise a certain amount of control over traffic in the Strait of Malacca."

Reviewing this naval war, this source commented that "despite heavy fighting and some losses, our naval position, except in the Far East, is much better than might be expected."

He said control of the Atlantic had been established so that operations could be carried out (Continued on Page Two)

Traffic Fatality Record Totters On Brink Tonight

CHICAGO, Dec. 31 (AP)—Traffic's observance of traffic laws, the National Safety Council says, may determine whether the nation will escape an all-time record of almost 40,000 motor vehicle deaths in a single year.

The council urged motorists and pedestrians to be extremely careful in seeing in the new year after reporting 35,690 persons were killed in traffic accidents during the first 11 months of 1941.

The total was almost 1200 greater than for all 1940 and only 3953 below the 1937 record high of 39,643.

"If the December toll this year is more than 6 per cent higher than last year, 1941 will bring a new all-time high of almost 40,000 traffic deaths," the council calculated.

The November toll of 4050 was the highest of the year. It was the fourth month in history in which more than 4000 fatalities were recorded.

Blackout Threats Show No Sign Of Dampening New Year Gayety

SAN FRANCISCO, Dec. 31 (AP)—War, threat of blackouts, submarines off the coast and warnings of army and police officers showed scant signs today of dampening the Pacific coast's celebration of New Year's eve in traditional fashion.

Street crowds will be thinner. City officials, army officers and police frowned on them. The din from sirens and whistles won't help announce the birth of 1942. They sound too much like an air raid warning.

Otherwise it will be a merry-makers' night as usual. Night clubs will be at full blast, brightly lit behind blacked out windows reminiscent of the speakeasy days. Prices are higher—\$18.25 a person at one Los Angeles hotel—but club operators reported the demand for reservations as great, or greater, than ever.

"There's more life to it than usual," said one happy San Francisco night club proprietor with virtually every table reserved long in advance.

Perhaps the coastwide warn-

STIFF BATTLE TO SAVE CITY STILL RAGING

Ship Taking Wounded Americans to Australia

WASHINGTON, Dec. 31 (AP)—General Douglas MacArthur said today the defense of Manila was continuing stubbornly and that wounded of the American and Philippine army have been evacuated on a hospital ship.

The war department, in a late day communique, said MacArthur had reported the wounded would be taken to Australia.

The communique, number 38, gave the situation as of 2 p. m. PST.

By The Associated Press
American and Filipino troops, battling against apparently hopeless odds, were reported still offering "strong resistance, inflicting heavy losses on the enemy" today after executing further adjustment of their lines.

While the fall of Manila appeared imminent and the army attempted to evacuate 300 seriously wounded Americans from Luzon island, a war department communique indicated that the 25-day-old struggle was not yet ended.

Heavy Pressure
"The enemy continues to exert heavy pressure on all fronts with extensive use of dive bombers and armored units," the communique said.

The war department's bulletin covered the military situation as of 6:30 a. m., PST, (11:30 p. m., Manila Time)—indicating that the Japanese invasion hordes had exactly 30 minutes in which to make good their original boast that they would take Manila "before New Year's."

Almost an hour later, the navy department announced it was still in communication with the city.

Falling Back
U. S. army headquarters in the Philippines reported that Gen. Douglas MacArthur's forces, desperately out-numbered, were falling back north and south of Manila under the assault of Japanese infantry, tanks and dive bombers.

Late news from Manila battlefield reached the United States only through official channels. Commercial communications companies announced they would not accept messages for Manila for the time being.

At 1 p. m., PST, The Associated Press in New York had received no dispatches from its Manila bureau for 12 hours.

Simultaneously, an Associated Press correspondent reported that the southern battle line was a bare 30-minute drive by auto (Continued on Page Two)

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