

HITLER SAYS FORCES WILL SMASH REDS

(Continued from Page One)

with the aid of all the preparations which have been made, and we shall beat him until the Jewish, capitalistic and bolshevik lust for destruction of the world has been broken."

Hitler also issued a proclamation to the German people, read over the Berlin radio.

In it he reiterated his statements that Germany was not the aggressor and had tried to maintain peace—even after the outbreak of fighting in September, 1939.

"The German people will believe me," he said, "that I should have preferred to choose peace instead of war. For peace included for himself a heap of fortunate tasks. What I and the whole national socialist movement will be prevented from accomplishing for years on account of this war fills me with deepest regret.

"It is a shame that it is impossible to prevent duffers and lazybones from stealing one's precious time which one intended to devote to cultural, social and economic tasks for the people."

TILLOTSON VIEWS BUSINESS TRENDS

(Continued From Page One)

labor, increased cost of material and substantial increases in taxes made necessary by the war effort.

Uncertain Future
The outlook for the future is characterized principally by uncertainty.

True, the immediate prospects indicate a good volume of business for 1942—perhaps for several years—at prices which would appear to be satisfactory for the production of profit. And unquestionably all sound business should be able to show a substantial gain during the coming year. Prices should continue at satisfactory levels.

But, again, this is only half of the picture. In the first place local business will be affected more by the war than would appear at first glance. Curtailment of production in many lines, bans on or curtailment of sales in others, reduction in tourist travel, movement of labor to defense areas and many other factors already are beginning to be felt and will be cumulative in their effect on the local business picture as time goes on.

The future of the lumber business, our largest pay roll, is clouded with uncertainty. Already many fir mills have closed due to lack of outlets for some grades produced. Pine mills are more fortunate in

the future of the lumber business, our largest pay roll, is clouded with uncertainty. Already many fir mills have closed due to lack of outlets for some grades produced. Pine mills are more fortunate in

TOO LATE TO CLASSIFY

FROZEN PIPES Thawed quickly and safely the Electrical way. Save this ad. Art Vroman—Dial 5695. 1-2

JOBS OPEN boys over 14. Phone 7471. 1-2

PIANO, 54 inches high, reconditioned, tuned to correct pitch, tone only fair. \$49. \$5 down, \$3.50 monthly. Louis R. Mann, tuner, Derby's Music, 120 N. 7th. 1-2

THE INTERSTATE BUSINESS COLLEGE reminds young people that there is an insistent and increasing demand for trained typists, stenographers, bookkeepers and office machine operators. Enroll now for 1942 classes. 432 Main. 12-31

OIL TO BURN — For Union heating oils, phone 8404, Klamath Oil Co., 615 Klamath. 1-31mtf

ROOM—\$2.00 week, close in. Board if desired. Phone 7058. 1-2

KLAMATH BUSINESS COLLEGE, 228 North 7th Street, Phone 4760. DAY and NIGHT classes. That **SPEEDY THOMAS NATURAL SHORT-HAND**, or a **SPEED REVIEW** in Gregg or Pitman. Taught by especially trained teachers who have years of **PRACTICAL OFFICE EXPERIENCE**. Our Government needs Stenographers and Bookkeepers NOW. We train **SPECIAL CIVIL SERVICE EXAMINATIONS**. 12-31

HAPPY NEW YEAR
We wish all our friends and customers a very happy and prosperous New Year for 1942.
Orres Tailors. 12-31

some respects so far as market outlets are concerned, but even at this early date factory grades and selects are beginning to accumulate due to bans on building outside defense areas. How far this trend might go is not subject to accurate forecast at the moment.

STIFF BATTLE TO SAVE CITY STILL RAGING

(Continued from Page One)

mobile from the capital this morning. In staccato sentences, Gen. MacArthur's field headquarters gave this summary of the desperate situation: "The enemy is driving in great force from both north and south. "His dive bombers practically control the roads from the air. "The Japanese are using great quantities of tanks and armored units. "Our lines are being pushed back. "Late yesterday, the nearest Japanese troops had been reported 43 air-line miles south of Manila. An army bulletin said the attempt to evacuate seriously wounded Americans from the island was made on a ship flying the United States and Red Cross flags. No other details were given. This seemed to indicate that little hope was held out for a prolonged defense of the island, with MacArthur's forces already caught in a narrowing vise north and south of Manila. Because of military secrecy, there was no immediate information whether the defeat of Gen. MacArthur's Luzon armies would mean the end of the entire Philippine struggle. Other American-Filipino forces have been reported still fighting on Mindanao island, 600 miles south of Manila.

No Grousing
Nevertheless there is no hysteria among business men. The attitude seems to be "business as usual, and we will bear all necessary restrictions to the best of our ability." There is little, if any, grousing. In a fog we steam with care through dangerous waters. It is only in the defense industries where any undue expansion appears to be called for, and private business is charting a course where the hazards of uncertainty will be minimized. Just in case these remarks might be construed as over-emphasizing what might be called the darker side of the business picture let us again scan the assured features which can be summed up as "firm to strong commodity prices, increasing activity in basic lines and confidence in ourselves and in our business community for 1942."

FLYER HEARD FROM
Friends of Lieut. Gordon Benson, on duty with the U. S. army air corps in the Philippine islands were reassured Wednesday by the disclosure that his parents, Mr. and Mrs. Stephen Benson of 507 Alameda street, received a cablegram from him on December 20 saying that he was alive and well. The message was dated December 19.

When pouring anti-freeze into the cooling system, watch the body paint. A little of the fluid can mar the finish.

LONG-BELL WAGE SCALES BOOSTED
Over 225 woods employees of the Long-Bell Lumber company of Weed, Calif., Wednesday were granted pay increases effective January 1 and a week's vacation with pay in 1942, according to an announcement by J. M. White, manager of the big Weed operation. White said the wage boosts will bring employees' scales up to a par with those in the Klamath basin. The announcement affected only woods workers and not employees of the mill where an eight-week strike was recently ended by a department of labor request. Settlement of wage scale difficulties in the mill is expected following a meeting of a department of labor arbitration board in Weed on January 5, the lumberman said.

WHITNEY SAFE
Ellis Whitney, who was at Pearl Harbor when the Japanese attacked, is safe and well, his mother, Mrs. Lena Whitney, was informed here. Ellis wrote that he had seen some action but was "still in one piece."

Patriotic
Klamath county has again shown itself outstanding in the manner in which it has supported the sale of defense stamps and bonds; it has made a most creditable showing in the number of its young men who are now in the service of the armed

Looking Backward

By The Associated Press

One Year Ago Today—Hitler, in New Year's message to German armed forces, said "The year 1941 will bring completion of the greatest victory of our history."

Two Years Ago Today—Finns report whole Russian division cut to pieces near Lake Kianta. Twenty-Five Years Ago Today—Russians, Rumanians fall back steadily from Transylvanian Alps and lower Moldavian region. Germans repulsed in surprise attack in Verdun sector.

BLOHM APPRAISES BASIN'S WELFARE

(Continued from Page One)

favorable year and employment in this line has been relatively steady with a very creditable wage scale.

Livestock operations have been profitable; the demand for our cattle has been very good throughout the year with prices better than average and production or growing conditions favorable.

Farm Situation O.K.

The agricultural situation has likewise been quite satisfactory. In some instances production was less than last year and costs of production were greatly increased; however, prices have more than offset the increased cost, barley having sold at better than average prices and potatoes moving out at prices higher than those received during the past four years.

Local retail trade is generally reported as having benefitted relatively and retail businesses, for the most part, report having had a satisfactory year. Should present prices be maintained for lumber, cattle, and agricultural products, which seems probable as long as war continues, we can look forward with reasonable assurance that the coming year will be one of satisfactory commercial activity.

We should not, however, overlook certain dislocations which will result from war activities. We shall have shortages of things we take for granted; there will be priorities of goods and materials which in one way or another will affect most of us; there will be regulations which will tend to restrict our personal freedom; and certain business may suffer from a lack of goods to sell.

Whitney Safe
Ellis Whitney, who was at Pearl Harbor when the Japanese attacked, is safe and well, his mother, Mrs. Lena Whitney, was informed here. Ellis wrote that he had seen some action but was "still in one piece."

Patriotic
Klamath county has again shown itself outstanding in the manner in which it has supported the sale of defense stamps and bonds; it has made a most creditable showing in the number of its young men who are now in the service of the armed

forces of this country; and it has again shown its leadership in the efficient manner in which it has organized its home defense. It continues to be guided by men and women who have a long-range view and who are assisting to the fullest extent in wartime activities. Post-war days will bring many problems, but the Klamath basin, with its leadership, its basic resources of timber, cattle, and agriculture and without the distortions which will confront many communities where war activities have been pronounced, should meet such problems as they arise with the minimum of adjustment.

Civilian Defense Reserves Asked To Meet Friday

All men who signed up under the Civilian Defense reserves in Oregon are asked to meet Friday at 7:30 p. m. in the Fremont school, according to announcement made Wednesday by Red Cross headquarters.

First aid classes will be outlined for those applicants who have not had first aid training, and men will be organized into rescue squads in air raid districts. All Red Cross first aid instructors are asked to meet with the group to facilitate action.

CHARITY HOOP TILT SCHEDULED BY KUHS

A charity basketball game between the unbeaten Klamath Union high school Pelicans and a powerful alumni quintet for the benefit of the National Foundation for Infantile Paralysis, Inc., has been scheduled for Saturday night, January 3, in the KUHS gym, Coach Dutch French announced Wednesday.

The tilt will start at 8 o'clock. Entire proceeds will be turned over to the fund. French said the game is being held in conjunction with a nationwide sports campaign to aid victims of the crippling disease. The contest was arranged in cooperation with The News-Herald sports department.

Further details will be published in tomorrow's issue of The News and Herald.

Whitney Safe
Ellis Whitney, who was at Pearl Harbor when the Japanese attacked, is safe and well, his mother, Mrs. Lena Whitney, was informed here. Ellis wrote that he had seen some action but was "still in one piece."

Patriotic
Klamath county has again shown itself outstanding in the manner in which it has supported the sale of defense stamps and bonds; it has made a most creditable showing in the number of its young men who are now in the service of the armed

forces of this country; and it has again shown its leadership in the efficient manner in which it has organized its home defense. It continues to be guided by men and women who have a long-range view and who are assisting to the fullest extent in wartime activities. Post-war days will bring many problems, but the Klamath basin, with its leadership, its basic resources of timber, cattle, and agriculture and without the distortions which will confront many communities where war activities have been pronounced, should meet such problems as they arise with the minimum of adjustment.

Contributors To Red Cross

(Continued from Page One)

- Mrs. M. Prather, Malin 1.00
- Mrs. Josie Sostak, Malin 1.00
- Mr. and Mrs. W. W. Thompson, Malin 2.00
- Mr. and Mrs. V. Kalina, Malin 1.50
- Mr. and Mrs. J. J. Philpott, Bonanza 5.00
- B. Z. Smith 5.00
- Mr. and Mrs. K. E. Hutchinson 5.00
- P. C. Carlson 2.00
- Harvey and Pearl Donald C. E. Peterson 2.00
- Battaglia and Burger 5.00
- Robert Currier 3.00
- Josie Goldsmith 1.00
- Patsy and Donna Hansen 5.00
- Gomer and Addie Jones 3.00
- V. J. Josephson 2.50
- Calvin Lamb 1.00
- Avis McConnell 3.00
- Mr. and Mrs. A. D. Smith 5.00
- Chas. W. Thomas 5.00
- John Foch 5.00
- John and Josephine Irwin 10.00
- Mrs. A. W. Hammel 1.00
- E. J. English 2.00
- F. W. Woolworth 50.00
- H. S. Ballard 5.00
- Zion Evangelical Lutheran Church 10.00
- Leigh J. Ackerman 1.00
- Mr. and Mrs. Don V. Custer 2.00
- Mr. and Mrs. Burge Mason Jr. 2.00
- Mr. and Mrs. J. H. Robbins 3.00
- Rollie Brewer, Fort Klamath 1.00
- R. E. Gordon, Fort Klamath 2.00
- Mr. and Mrs. A. B. Castel, Fort Klamath 5.00

FUNERAL

HANS AXEL SWANSON
The funeral service for the late Hans Axel Swanson, who passed away in this city on Sunday, December 28, will take place from the chapel of Ward's Klamath funeral home, 925 High street, on Friday, January 2, at 2 p. m., the officers of Klamath Falls aerie No. 2099 F. O. E. officiating. Commitment service and interment under auspices of the Sons of Norway in the Linkville cemetery. Friends are respectfully invited to attend.

CARD OF THANKS
We wish to express our sincere thanks to our good friends for their many acts of kindness since our home burned. Mr. and Mrs. Scott McKendree.

Police Court—One drunk and disorderly case was heard and three traffic tickets paid in police court Wednesday morning.

Whitney Safe
Ellis Whitney, who was at Pearl Harbor when the Japanese attacked, is safe and well, his mother, Mrs. Lena Whitney, was informed here. Ellis wrote that he had seen some action but was "still in one piece."

Read the Classified page

Editorials on News (Continued from Page One) ... One little story to finish to-day's recital of events. Canadian newspaper men present a sealskin hat to Churchill. Trying it on, he takes the cigar out of his mouth, puts on the new hat, and when he puts the cigar back gets it WRONG END FIRST—as many a man has done before him. He spatters, spits out the hot ashes, rubs the burned spot of his lips and grins. He's a human guy.

SINGAPORE CHOSEN AS ALLIED CENTER

(Continued From Page One)

"In the face of attacks by the enemy. In the Mediterranean, he said, there have been limitations "but nevertheless we have been able to carry our operations essential to success" in the war effort. "In the Far East," he added, "we see what apparently unopposed sea power can do."

He said the task before the allies was "to destroy or neutralize Japanese sea power" in the combat area as a prelude to launching offensive operations.

Good News Comes For Christmas Here

Good news and the best Christmas present she ever received came to Mrs. Marie L. Barton, 7411 Commercial street, this holiday season. Mrs. Barton received a Christmas telegram from her son, Wallace A. Barton, from Manila. Young Barton is in the United States navy. He is a member of a submarine crew and he is an expert deep sea diver.

Sprague River Firm Has No Need for Men

Crater Lake Box and Lumber company officials said Wednesday that a news story from Sprague River, appearing this week, gave an erroneous impression of the labor needs of the company and asked that a correction be made to prevent men from making needless applications for work. The mill is down, weather conditions are hampering logging, and the company has no need for men at this time. It was stated authoritatively.

Crater Lake Box and Lumber Company

Crater Lake Box and Lumber company officials said Wednesday that a news story from Sprague River, appearing this week, gave an erroneous impression of the labor needs of the company and asked that a correction be made to prevent men from making needless applications for work. The mill is down, weather conditions are hampering logging, and the company has no need for men at this time. It was stated authoritatively.

PHONE 8484

25¢ TOWER

ACRES OF FREE PARKING NEXT TO THEATRE

2 BIG HITS!

Celebrate

NEW YEAR'S EVE GALA MIDNIGHT SHOW

"ROUND ROBIN"

New Year's Eve FROLIC!

FREE! FREE!

Hats — Balloons — Horns
Serpentine — Noisemakers
FOR EVERYONE!

Come Early! Stay Late!

DOORS OPEN AT 6:30 P. M.
Continuous Shows From
7 P. M. to 3 A. M.

NO PRICE ADVANCE —
See Any or All Features
At Regular Tower Prices!

★ An Entirely NEW Idea ★
— In Entertainment —
4 — GRAND FEATURES — 4

TONITE! Gala NEW YEAR'S EVE FROLIC

FUN FOR ALL — ALL FOR FUN!

FREE HORNS • BALLOONS
NOISEMAKERS • HATS AND
SERPENTINE FOR EVERYONE!

Join the Big Happy Crowd for
the Time of Your Life!

Doors Open 11:30
Show at 12 Midnite

HOWL the old year out —
SCREAM the new year in!
With
SLAPSIE MAXIE ROSEBLOOM
in
"Harvard Here I Come"
Sing Long and Loud with
COMMUNITY SING
El Brendel Comedy
Color Cartoon

BUY SPECIAL TICKETS NOW
General 50¢ — Logo 50¢ — Incl. Tax

At 7:20 and 10:27
BING changes SING TO SWING!
THE BIGGEST MUSICAL SHOW OF ALL!
THE **STAR MAKER**
BING CROSBY
LOUIE CAMPBELL
Linda Ware Red Leslie
Walter Drummond

At 9:12
Trouble in the Tropics!
These Leathernecks are up in the air...
over a dame!
Anything can happen
and BOSS!!
THE **MARINES FLY HIGH**
Richard Dix
Castor MORGAN
Luella BALL

At 12:05 A. M.
A GLOWING
STORY OF LOVE
AND CONQUEST
The **Allegany Uprising**
WYATT TREVOR
with George SIZEMORE

At 1:26 A. M.
ANGELS with DIRTY FACES!
JAMES H. HOGAN
ANN SHERIDAN
The "DEAD END" KIDS

EXTRA!
Community Sing at 9:02
Color Cartoon at 10:20

SHOWING TOMORROW!
— New Year's Day —
"THE STAR MAKER" "THE MARINES FLY HIGH"
And Color Cartoon — Community Sing — News

NOTE —
"Allegany Uprising" and "Angels with Dirty Faces" Will Be Shown
On the Midnight Show — NOT on New Year's Day

Starts
NEW YEAR'S DAY
Continuous Shows Start at 12 Noon

CLAUDETTE COLBERT

FALLS FOR

RAY MILLAND BRIAN AHERNE

Claudette's a Skylark out on a Lovelark!

"Skylark"

The fun started at the Savoyball serial "Streamlined Heart!"

Now it's the GRANDEST LAUGH-AND-LOVE HIT THE SCREEN HAS EVER OFFERED!

A Paramount Picture with
BINNIE BARNES • WALTER ABEL
Mona Barrie • Ernest Cossart • Grant Mitchell • James Rennie

"JINGLE BELLS" Menton's Musical • Walt Disney CARTOON • Latest Paramount NEWS

ESQUIRE

Ends Today Shows 2:00 - 7:00 - 9:00

★ Frank Craven ★ Eileen O'Hara ★ Roger Pryor ★ Edgar Buchanan
in "THE RICHEST MAN IN TOWN"