

Herald and News

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A temporary combination of the Evening Herald and the Klamath News. Published every afternoon except Sunday at 4:30 p. m. at the Klamath Falls, Oregon, by the Herald Publishing Co. and the Klamath News Publishing Company.

Entered as second class matter at the postoffice of Klamath Falls, Ore., on August 20, 1906 under act of congress, March 3, 1879.

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NEWS BEHIND THE NEWS

By **PAUL MALLON**

WASHINGTON, July 3—Revolutionary extent of our economic dislocation due to the war is only now beginning to be fully apparent in detailed surveys conducted by government and private organizations here.

Getting richest are the old depressed national railroads, inter-city buses and local street car lines in defense boom areas. They never ran at capacity before. Even the Erie railroad paid a dividend the other day for the first time in history.

The rubber and gasoline saving program has taxed street and bus systems in many cities so severely that shoppers have been asked to stagger their hours outside the rush period, and in Washington all downtown stores are remaining open one night a week. Taxicab drivers are similarly enjoying unprecedented prosperity in boom towns.

Defense industries represent the next most profitable phase of war economy, but their condition is full of contrasts. Some small manufacturers, who never did well, are enjoying amazing success making small defense gadgets, like noise filters for tank radios, special gun parts, and such.

Bulk of big business is in gigantic operations, but profits have not generally been increased, due to limitations specified in government contracts, the excess profits and other profits taxes. Many dividends are down.

And manufacturers who have not been able to convert to war business (largely metal shaping, casting, ornamental chromium, copper, brass makers) are going into retirement. It is believed around 70,000 small manufacturers may fold their cards within the next year, which would be roughly one-third of the manufacturing units of the country.

The farmer is doing well. His income will be up \$2,000,000,000 this year, an increase of about 20 per cent. He is buying more and more from mail order houses and in small nearby towns, due to the gas and rubber pinch. In fact some experts here believe the small town may be restored to its pre-automobile dignity in American life before this war is over.

The only organizations which will get rich and stay there, however, are the union labor groups. Size of their large income increase is a secret to them, but they are not subject to taxes and hence will not pay their war profits back into the government.

Some carpenters who never made more than \$35 a week in their lives in rural areas in the midwest are getting \$100 a week. Sons just out of high school are in some sections getting more money than their fathers for unskilled work in booming defense areas.

But both real estate and building industries are feeling a painful pinch. Even in boom areas, no one wants to buy; everyone wants to rent.

Defense building is being handled by a comparatively small number of large contractors. The little builder was practically thrown out by a shortage of materials.

Small stores, handling one class of goods, are beginning to be forced out (radios, phonographs, hardware, household appliances, wearing apparel). Also being eliminated are the small marginal stores which cannot get stocks.

The department stores, however, have ample stocks. In certain instances goods are being sold at less than the wholesale cost of reproduction (New York area report).

AUTO DEALERS HIT
The great bulk of vacant stores on Main street so far, however, are those formerly occupied by auto dealers.

Food and drug stores are doing well in most communities, but in some rural areas, a large number of people have left for the army or defense jobs, and these sections are suffering.

Wall street is shot. The amusements businesses offer contrasts as wide as industry. Those in boom areas, which do not depend on motor trade, are profiting; the others are losing out. Seaside beach resorts are living from hand to mouth, and so are the summer vacation places. Summer theatres are dead.

Doctors are scarce, due to army calls upon the profession. Those who are remaining in civilian service are able to collect their bills. Lawyers, on the other hand, are suffering. The government has discovered more lawyers have come to Washington in search of jobs

SIDE GLANCES



"His curve ain't so hot, but we always let him pitch—his dad's a bomber captain in Australia!"

than any other class. A few big ones, handling large contracts, have profited enormously, however.

The soft drink industry is staggering as far as the public market is concerned, but some of the largest concerns are secretly using their machinery in war business under government contracts. There were about 1,000,000 salesmen on the road in the country, perhaps not half that many now.

LIFE INSURANCE DROPS
Life insurance business is not good, because the white collar people who buy it generally, are hurt deeply by the war economy, while the skilled workers whose income is being increased, generally trust to social security.

In one group, there are 5,000,000 persons employed in state, city and local governments in this country (mostly teachers, police, firemen) who are facing a 15 per cent increase in the cost of living without increases in income.

Some businesses are allowing war restrictions to cut overhead. Restaurants give you much less sugar but do not charge you any less.

Delivery services around Washington have virtually been abandoned. Milk dairies now deliver only every other day. Gas dealers cut their overhead with the 7 p. m. to 7 a. m. closing and elimination of Sunday service hereabouts, but the cost of gas has gone up more than 3 cents since the first of the year.

The oil industry was a booming war baby at the start, but has been in depression since the shortage of tankers. Some authorities expect the little independents will be crowded out.

Airlines lost their booming profits when the government seized half their planes. Cleaning shops cannot get fluid for cleaning in the east.

Undertakers, however, are doing about the same business as usual.

VICTORY DAY

RENO, Nev. (AP)—Reno's war bond drive lasted almost an hour before the \$50,000 goal was reached.

The one man who asked that his name be withheld bought all \$50,000 worth himself.

The goal was promptly boosted to \$100,000.

The fellow who gets his unconditional release often is a finished ball player.

RAINBOW
—First—
Anna May Wong
in an exciting timely picture
"BOMBS OVER BURMA"
—Second—
The toughest hombre in the West!
South of Santa Fe
starring **ROY ROGERS**
GABBY HAYES LINDA HAYES
All the Late News

GRIPSHOLM SAILS ON EXCHANGE TRIP

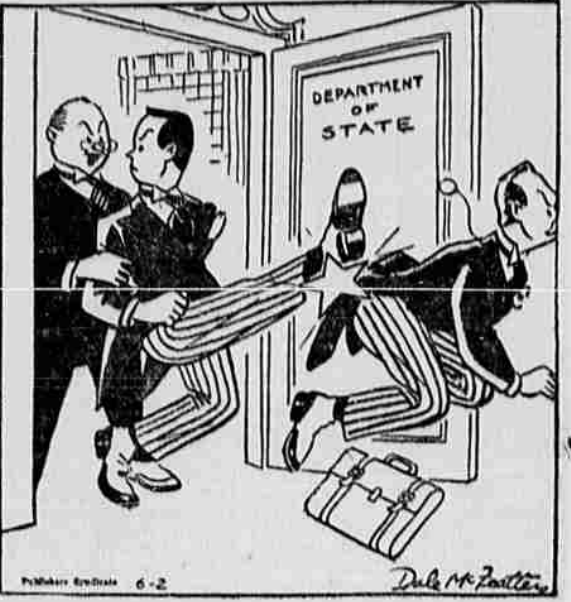
RIO DE JANEIRO, July 3 (AP)—The Swedish ship Gripsholm, with Japanese diplomats and nationals from the United States, arrived here last night to pick up 400 Japanese from Brazil and Paraguay before proceeding to Portuguese East Africa for the exchange of Americans from Japanese territory.

TOKYO (From Japanese Broadcasts), July 3 (AP)—The Japanese liner Asama Maru docked at Saigon, French Indo-China, today to pick up 114 citizens of the United States, Canada and South American nations being repatriated in exchange for Japanese nationals who have been interned in the western hemisphere.

W. R. Peck, U. S. minister to Thailand, was among those who boarded the vessel, which will sail tomorrow for Lourenco Marques, Portuguese East Africa, where the exchange is to take place.

The Asama Maru sailed from Yokohama June 25, with 416 repatriates aboard.

STRICTLY BUSINESS



"No, no, Perkins—that's not the way we sever diplomatic relations with another country!"

Free Press Rests On Advertising, Executive Says

HARRISBURG, Pa., July 3 (AP)—Newspaper advertising must be continued if America is to keep its free press in wartime, J. Howard Pew, president of the Sun Oil company, declared Thursday.

In a letter to the Pennsylvania Newspaper Publisher's association, Pew said America has the "most competent press in the world" because of its advertising revenue "which, reflecting the activities of our system of free competitive enterprise, gives to our press so broad a basis of economic support that it can afford and can dare to be independent."

"Without such a broad foundation of economic support our press would be dependent on the favors of politics and the subsidies of government, like practically all the press of continental Europe," he said.

Merrill

Postoffice authorities report that federal automobile stamps are selling rapidly, with the office taking in \$870 Tuesday. While there has been no rush here, sales have been steady. Alonzo Hodges reported that the supply ran out the first day, and prospective customers had to return later.

Virginia Sharp, daughter of Mr. and Mrs. C. E. Sharp, who has spent the past three weeks with her grandmother at Redmond, former home of the Sharps, is expected home soon. An elder daughter, Mary Frances, who is taking nurses' training work in Portland, will arrive August 10 for a two weeks' vacation.

Mr. and Mrs. Paul Lee are parents of a daughter, born June 29 at the Hillside hospital. The little girl weighed 8 pounds and 10 ounces. Lee is associated with the Merrill mills.

TIME MARCHES ON

ROANOKE, Va. (AP)—Some 65 years ago, J. L. Sutherland, now 75, of nearby Wythe county, paid his first visit to Big Lick, a village of a few hundred souls.

He's just paid his second visit to Big Lick, now Roanoke, a city of nearly 70,000.

Said he: "Big Improvement."

When people start overlooking you, you better start looking yourself over.

Senate Passes Government Land Tax Measure

WASHINGTON, July 3 (AP)—The senate passed and sent to the house Thursday a measure permitting states to levy regular taxes against property acquired by the government since January, 1942, or obtained in the future for general military purposes.

Senator McNary of Oregon, the minority leader, said similar measures were in effect during the last war.

Three-Year Heat Record Smashed Here Thursday

A three-year heat record was smashed Thursday, when the mercury jumped to 99 degrees, hotter than any day since July 27, 1939. The thermometer held at 101 on that day, the US weatherman remembers.

Malin

Mervyne Wilde, who has been associated with the Malin Mercantile company for a number of years, has resigned his position and will enlist in the air division of the army. Mrs. Wilde, the former Emma Kalina, will remain here for the present with her parents, Mayor and Mrs. A. Kalina. Edwin Petrasek, also of Malin, is enlisting in the same division.

Elmer Prator, former resident of the Malin district, is expected to arrive this week after spending the last several months with his parents and baby son in Oklahoma. Prator planned to arrive early last spring, but while shingling a house a day or so before his expected trip, he fell, breaking a leg.

Mr. and Mrs. Fred McDonald and two daughters, Gloria and Joyce, are leaving this weekend for Portland to search for living quarters preparatory to moving north. McDonald, a barber, will be employed in defense work, probably as a welder, a trade with which he is familiar.

WAR QUIZ

1. Here's a flag with a light blue base upon which is superimposed a yellow cross. It belongs to one of the few neutral nations left in Europe. Which? 2. Is there a Latin American country whose language is not Spanish? And if so, what tongue is used?

3. June 13, 1917, was a very important American date in the last World War. Did it have to do with a sea battle, the first sailing of troops to France, or a skirmish near Paris with German troops?

ANSWERS TO WAR QUIZ

- Sweden.
- Brazil, whose language is Portuguese.
- One June 13, 1917, the first U. S. troops, part of the First Division of the A. E. F., sailed for France.

Bonanza

Mr. and Mrs. Raleigh Carrothers returned home from Oregon City, where Carrothers attended defense school.

Dee Moon spent a two weeks' vacation in the Willamette valley.

Wesley Hankins, who underwent a major operation recently, is home now and able to be around.

Miss June Marie Brown spent the past weekend with her parents, Mr. and Mrs. F. W. Brown. Miss Brown is secretary to the commanding officer at Camp White, Medford.

Dr. William Hartley and daughter, Mrs. Clyde Wooten and Elsa Hartley, were in Klamath Falls shopping on Tuesday.

The Home Extension unit will meet at the home of Mrs. Ben Dixon on July 9, at 1:15 p. m. Mrs. Winnifred Gillen will demonstrate the canning and drying of fruits and vegetables.

Little Belle McDonald is leaving for Eugene, where she will take a six-weeks' course in business school.

PINE TREE

—First—
LIFE IN THE RAW!
The Girl from Alaska
Ray Middleton
Jean Parker
Jerome Cowan

—Second—
A STAMPEDE OF ACTION AND SONG!
THE HEART OF THE RIO GRANDS
with **GENE AUTRY**

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★ DIAL 5414 ★
PLAYS SATURDAY AND SUNDAY ONLY!
Continuous From 12:30

Frederic March
Akim Tamiroff
in
"BUCCANEER"
One of the Greatest Action Pictures Ever Made

2nd Feature
Those bandit busters are back again!
OUTLAW Cherokee TRAIL
with THE THREE MESQUITEERS
TOM TYLER
BOB STEELE
RUFUS DAVIS

PELICAN
NOW SHOWING

THUNDERING THRILLS!
ROARING ROMANCE!
—out where men fought for gold, glory and a girl

In Old California
featuring **JOHN WAYNE**
BINNIE BARNES
Edgar Kennedy
Patsy Kelly

EXTRA!
"At the County Fair"
"Man I Cured"
Latest News

Fire School for Silver Lake Forest Men Starts

SILVER LAKE—Fire school for forest service men of the Silver Lake district is being held this week at Section One Spring, about 18 miles from town. Gene Rogers, ranger of this district, is in charge of the camp. Sim Jarvis of the Lakeview office, arrived Wednesday to give special instruction in the latest methods of fire fighting and fire prevention.

There are three men new to the service in the camp: Clinton Basye, Don Pertzinger and Francis Kennedy. The two latter are forestry students. Other men in attendance are Guy Martin, Albert Waterhouse, Laurence Deadmond and Leston Linebaugh, all men who have worked for the forest service before.

The camp is near Rodman Rock lookout station, where the men receive training in the use of fire location instruments. Having located an imaginary fire, they then practice finding the exact spot miles away in the timber, a place previously marked by the instructor.

A new piece of fire fighting equipment recently received is an aluminum water tank holding 250 gallons. The tank is so light it can be loaded when empty by one man. Back strap

PACKS OF RUBBER AND CANVAS holding five gallons of water are carried by each man on active fire duty.

Duties of camp cooking and cleaning are divided among the men by a schedule worked out beforehand. Rogers feels that his men need knowledge of how to make a comfortable and sanitary camp, as well as how to control a fire. The cook tent, as neat and efficient as a New England kitchen, is pitched near Two Mountain springs. Redwood boxes with lids are set in the springs to keep the water clean.

To the rear of the cook tent is the bedroom, an airy chamber with pine tree walls and a starchy roof. When the day's work is done, a man lies on his cot and sees the moon through the pine boughs, smells the balsam and the incense of a campfire and maybe catches a glimpse of a doe with her spotted fawn feeding in the dusk.

for the United Nations that there be a unified strategy now, in which the launching of an immediate big offensive in the Pacific receive equal importance as other theatres of war.—Dr. P. S. Foo, Chinese vice minister of foreign affairs.