Blackout Signal

One 5-minute blast on sirens and whistles is the signal for a blackout in Klamath Falls. Another long blast, during a blackout, is a signal for all-clear. In precautionary periods, watch your street lights.

Kerald and News

PRICE PIVE CHANGE

MATH FALLS, OREGON, SATURDAY, JULY 18, 1942

Number 9543

NAZIS JAB AT GATE TO CAUCASUS

Egypt Battle Hot

In The Day's News

By FRANK JENKINS

THE war labor board allows to employees of "Little Steel" (meaning the so-called smaller steel companies) a wage increase of 44 cents a day instead of the \$1 a day they had asked through their union.

The compromise decision, it is announced, is designed to MAIN-TAIN the purchasing power of hourly wage rates as of January

It might be more accurate to say that it is intended to BRING UP the purchasing power of PRESENT wage rates to the level of January 1, 1941.

THIS question then arises: What will be done when it is

rising prices?

It is an interesting question because the whole process of in-flation is a continuing race be-

tween rising wages and rising prices.
History tells us that when such a race gets under way full tilt, wages usually LOSE OUT.

WE should be realistic about this wage situation.

We have what amounts to a labor government, and it is to be expected that when favors are shown they will be shown to labor. Whenever it is a question of WHOSE standards are to be brought up, it must reasonably be expected that labor will get

We should also be fair about

In other wars, government has leaned toward the side of emand when there were favors to be passed out it was business that got them. Too often in past wars, big fortunes have grown up out of these favors. "War profiteer" is not at all a new

Labor, now that it is in the

There can be no good reason for assuming that it will be different in the case of the present war. If we have too much boom now, we must expect TOO MUCH CRASH afterward.

In this crash, whatever gains are made now will disappear.

YOU have been reading a lot about price ceilings.

The purpose of a price ceiling is to keep costs from rising. If costs could be prevented from rising, it MIGHT be possible to keep booms from occurring as (Continued on Page Two)

Britain Ships 50 Tanks Weekly To Red Allies

ALDERSHOT, England, July 18 (A)—Oliver Lyttleton, Britain's minister of production, declared in a speech today that Britain has been shipping 50 tanks weekly to Russia and to date has fulfilled her contracts report as soon as possible. His class, Love through his four father said last night that he years at the hillitop institution with the soviet for supply of oth-

end of May "actually shipped 11 east from there. per cent more than had been The 1941-42 K

Navy Reveals More Sinkings; Toll Now 381

By The Associated Press Two more United Nations ship sinkings, one a medium sized American merchant vessel sunk by a Japanese cruiser off the tip of India, and the other a British merchantman torpedoed in the Atlantic, were an nounced by the navy today.

Twenty-four members of a 42-man crew perished on the U. S. vessel sunk in the Bay of Bengal April 7, survivors said upor landing at an east coast port

Two Japanese planes also bombed the ship before she was fired upon by a cruiser.

Survivors of the small British ship sunk in the western Atlantic several weeks ago have been landed at an eastern port.

been landed at an eastern port.
The British merchantman's sinking increased the unofficial Associated Press count of United Nations and neutral losses in western Atlantic seas to 381

since the U.S. entered the war. Announcements yesterday said 17 seamen lost their lives when U-boats sank a small Dutch and a large American AGAIN necessary to bring up merchantman and a medium-the purchasing power of wage sized British cargo ship in the rates in order to catch up with rising prices? (Continued on Page Two)

CHINESE CHALK UP

Defense Practiced at Hawaii; Allies Bomb Rabaul

By The Associated Press

Reports on realistic invasior defense practice by Americans at the Hawaiian birthplace of the Pacific war, on continued aerial harassment of Japanese positions facing Australia and of a Chinese victory on the China coast marked today's news from the Pacific theater.

The central news agency of Chungking said that Japanese forces after only a few days of occupation had been forced to retire from Wenchow, southern Chekiang province port, under heavy Chinese pressure.

reported also back in Chinese hands. Kinki has changed hands often.

(Continued on Page Two)

ENGLISH GIVE **GROUND NEAR**

Activity Intense In Central Sector; Tobruk Raided

CAIRO, July 18 (A)—British troops on the northern sector of the El Alamein front drove southward yesterday but later were counter-attacked twice by Marshal Erwin Rommel's axis forces and compelled to give up some of the ground they gained. British headquarters announced

On the central front, where

over the central sector of the front attacking transport ve-hicles and tanks and violent ex-

Ship Hit

In a raid on the axis supply port of Tobruk, allied heavy bombers hit a large ship and a tanker in the harbor and started a fire in the dock storage area

CIO Accepts FDR's Plea for

PITTSBURGH, July 18 (49)— India in command of American The CIO United Steel Workers air operations in that area and union moved rapidly today to in Burma and China.

make industry-wide the war labor board's award of 44 cents a day increase in pay for 157,000 bombers have been operating in employes of four "Little Steel" the middle east arena they have

miles south of Nanchang, the sumption of contract negotia- bombers have been lost in comprovincial capital, and Siaoyi, tions. These were broken off bat since operations started central Shanst province, were last February when an impasse here.

(Continued on Page Two)

Eugene Love, KUHS Star, Accepted as Army Cadet

(Picture on Sports Page) plicants from all over the Pa-Eugene Love, valedictorian of cific coast. the 1942 Klamath Union high Love, the son of Mr. and Mrs. school graduating class and star F. E. Love of 625 North Elev-

father said last night that he years at the hilltop institution will stop in Baker to visit mem-

east from there.

The 1941-42 KUHS basketball captain last week spent several last fall's Pelican grid team, he days at Fort Lewis, Wash., taking the academy's physical, in the way of supply in Russia with arms," Lyttleton said.

The 1941-42 KUHS basketball captain last week spent several last fall's Pelican grid team, he days at Fort Lewis, Wash., taking the academy's physical, mental and scholastic exams in competition with the pick of ap-

and mainstay of Pelican foot-ball, basketball and tennis teams for the past four years, left this morning to enter the U. S. Military academy at West Point, N. Y., it was disclosed today.

will stop in Baker to visit memer war materials.

Will stop in Baker to visit memer war materials.

Will stop in Baker to visit memease perfect grades for his entire high school career. As full-

EL ALAMEIN

today.

On the central front, where New Zealand troops were hold-ing the eastern end of the Ru-weisat ridge, an attack by mo-torized troops was repulsed, the British communique said. There also was activity on the southern end of the 40-mile British line about 75 miles west of Alexan

Air activity was intense over Air activity was intense over the battle front, especially in the central sector, and British fighters shot down five axis sir-craft.

Light British bombers ranged over the central sector of the

which was spreading as the bom (Continued on Page Two)

Co-Operation

By MARBEN GRAHAM

Labor, now that it is in the saddle, has plenty of precedent for demanding and getting special favors. It can hardly be blamed if it uses its power to improve its position.

But the fact remains that most of the wars of the past have been accompanied by booms which were followed by a CRASH, and in this ensuing crash most of the profits arising out of the war boom have been wiped out.

These can be no good reason.

The Japanese who took the port, impelled by fear that some day increase in pay for 187,000 employes of four "Little Steel" companies, after a 125-man policy committee last night accepted the decison upon President of both the CIO and USW, said telegrams were dispatched to heads of the "Little Steel" group, Bethlehem, Republic, Youngstown Sheet and Tube and Inland, asking immediate resumption of contract negotian bombers have been operating in the middle east arena they have accomplished 21 tactical missons.

Speedy Action On Rising
Costs Predicted

In addition to bombing enemy convoys in the Mediterranean and attacking Bengasi and Tobruk, the main ports of entry for the axis to the African theater the of war, the American bombers have been observed three others, and Inland, asking immediate resumption of contract negotian bombers have been operating in the middle east arena they have accomplished 21 tactical missions.

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In addition to bombing enemy convoys in the Mediterranean bombers have been operating in the middle east arena they have accomplished 21 tactical missions.

In addition to bombing enemy convoys in the Mediterranean bombers have been operating in the middle east arena they have been operating in the middle east arena they have accomplished 21 tactical missions.

In addition to bombing enemy convoys in the middle east arena they have in the middle east arena they have acco

was reached on the questions de cided by the board.

Forced Landings Although there also have been often. Chinese high command another policy committee meetsome forced landings and internments in Turkey, no other casu-aities have been suffered except those in the three planes lost in

It was disclosed also that in addition to the four-engined Consolidated Liberator bombers already reported in action in this theatre, there also are Boeing B-17E Flying Fortresses.

MIDDLE EAST AREA

mand of Air; Re-

veals Details

States army air forces in the mid-

General Brereton, who headed

dle east.

Both types are equipped with two-stage superchargers permitting flights in the rarified atmo-sphere of high altitudes without material reduction in power.

Work Stoppage At Ford Plant Settled Today

18 (A)—A work stoppage which clude halted production at the Ford gram. Motor company plant here for

YANKS ACTIVE IN SP. GN Jump Handling BRITISH STEP UP Capacity 80 Per Cent

Directly athwart the main coast railroad route between the northwest and California, Klameth's railroaders have a wartime

of a whole nation doing bang-

up jobs for a country at war.
Of course, if the rubber sit-

uation is any criterion, some other government gentleman

might come out tomorrow and

you can't have and we guess you know why.

Up 80 Per Cent

vision. That's pretty spectacular. In fact when Frank Sexton told

Baseball

National League

Lohrman, and Danning, Starr,

Javery and Kluttz, Heintzel-man, Errickson (8), and Lopez.

News Index

Pages 5, 6, 7,

about it.

manno.

Boston Pittsburgh

Brooklyn

(9) and Rosa.

Job on their hands in keeping vital war material and traveling soldiers steadily traveling. It's being done, however, and with a minimum of delay and lost motion. Above is a picture of a part of the Southern Pacific's busy yards.

Busy People, These Railroaders

(EDITOR'S NOTE: This is the as much, because there's more second in a series of weekly than enough business for both, articles on Klamath's part in the industrial drive to win the But not very much left over Brereton Takes Com-

By BOB LEONARD

"We railroad guys never knew what we could do until we had to do it," said a South-CAIRO, July 18 (P)-Maj. Gen. Lewis H. Brereton has as-

ern Pacific employe.

Which, unless you can find a better one, is the principal reasumed command of the United son why the SP and their one-time rivals, the Great Northern, have been able to increase ton-nage handling capacity in Klamath Falls—and that goes the air defense of the Philip-

plnes, has been in New Delhi, India, in command of American air operations in that area and in Burma and China.

He disclosed today that in the

WASHINGTON, July 18 (AP)

Congressional leaders today promised speedy consideration for any recommendations President Roosevelt may make to link wage stabilization authority to over-all price controls in the fight against the rising cost Apparently authentic reports

were current that the president would ask for broad and flexi- Cincinnati wages and to clamp down further on farm prices.

Senate Democratic Leader Barkley of Kentucky said he did not know what form the president's recommendations would take or when they might be forthcoming, but he forecast favorable consideration for any necessary legislation to round out the anti-inflation program.

"We are interested in preventing inflation, just as the president is," Barkley told reporters, "and we will be here to act on any proposals he may lay before us. From the republican side, Senator Vandenberg (Mich.) said

IRON MOUNTAIN, Mich, July definite recommendations to include wage controls in the pro-"Any realistic plan that gears

Motor company plott here for nearly two days was reported settled today with about 700 able because the effectiveness of price control is the only profited divisions.

John Jacobs, president of the CIO United Automobile Workers local here, said that grievances had been settled.

"Any realistic plan that gears wages to price control is desirable because the effectiveness of price control is the only profection we have against suicidal inflation — and price control magazine Page Market, Financial — part way," Vandenberg declared. City Briefs

Four - Motored Bomb-Bang-Up Joseph But not very much left over because the railroad boys—and we know this is so because ODT Director Joseph L. Eastman, who's the boss, admits it—are doing one of the bang-up jobs of a whole nation doing bangers Roar Over Ruhr; All Back Safe

LONDON, July 18 (P) -Great new four-motored British Lancaster bombers roared over Germany to blast the Ruhr in broad daylight for the third successive day today and all re say that U. S. railroads are falling down and it looks like we'll have to do something turned safely despite German fighter opposition.

The number of planes sent So you're going to need some figures to prove Mr. Eastman isn't just a misplaced morale builder. We have some here. They're not complete as to number of tons—that's something you can't have and we prove the something to the som over in today's "small forma-tion" was not disclosed but a British air informant said each carried several tons of bombs.

This source said the continu-

ing daylight attacks upon the heart of Hitler's big industrial

WOOD USED

WASHINGTON, July 18 (49) Use of wood in constructing a B-13 training plane for the army air forces has saved approximately 600 pounds of strategic metals for use in building fighting planes; the war department Shaposhnikov, chief of staff of the red army. Use of wood in constructing a

GRAVE DANGER Wheeling Change of Course Cuts Swath To Don River

LINK HELD I**n**

RUSS-ALLIED

Weather News

July 17-High 76, Low 52

Stream year to date

By CLYDE A. FARNSWORTH

Associated Press War Editor
After a wheeling change of
course by some of the strongest
elements of Germany's millionman Caucasus offensive, the Germans appeared today to be stabbing close to Rostov and stabling close to Rostov and toward the deep Caucasus in thrusts which now imperil Russia's link with the allies in the Middle East.

The Germans proclaimed that one drive had cut a broad, crosscountry swath to the Don, at the rear or east of Rostov, the front gate to the oil riches of the Caucasus, while Russian as well as German advices told of another advance upon Rostov along the main railway route from the north.

In their first appearances on this dominant world-front, Amer-ican made Douglas Boston bombers were being flung into Russia's fight for life. They blasted at onrushing German tanks in the Don basin and on the Don steppes. Russia's sup-ply lifeline through the Middle East and the Caucasus was at

East and the stake.

Russia's plight may impel the United States and Britain to drive across the English channel soon to open a second front, according to London military experts. The operation likely perts. The operation likely would be constricted by the ship ping shortage to something less than the grand scale one envisioned as necessary to winning

the war.
The German high command did not precisely locate its claimed foothold on the lower Don but said that it was east of the Donets as well as east of Rostov. The Donets flows into the Don about 70 airline miles upstream from the mouth at

which had thrust through Mil-(Continued on Page Two)

Ankara Reports Change in Red **Army Command**

BERLIN (FROM GERMAN area were designed to knock BROADCASTS), July 18 (P) — out vital targets and to harass the Germans when bad weath-But we know you'd like to know that since December 7th of '41 the Great Northern's ton- of '41 the Great Northern's ton- (Continued on Page Two)

The Germans when bad weather the ceived reports today from Kui- byshev, soviet Russia, indicating a change in command of Russia. sia's southern armies was "imminent or already has been car-ried through in the past 24 hours.'

Nazi Breakthrough Fails To Disrupt Red Activities

Javery and Kluttz, Heintzelman, Errickson (8), and Lopez.

Brooklyn 4 9 2
St. Louis 7 16 1
Owen, White and W. Cooper.

We would be seen a serial incursion of the major factors limiting derman aerial incursions while red army resistance also is typically and the major factors limiting derman aerial incursions while red army resistance also is typically and the major factors limiting derman aerial incursions while red army resistance also is typically also the major factors limiting derman aerial incursions while red army resistance also is typically also the major factors limiting derman aerial incursions while red army resistance also is typically also the major factors limiting derman aerial incursions while red army resistance also is typically also the major factors limiting derman aerial incursions while red army resistance also is typically also the major factors limiting derman aerial incursions while red army resistance also is typically also the major factors limiting derman aerial incursions while red army resistance also is typically also the major factors limiting derman aerial incursions while red army resistance also is typically also the major factors limiting derman aerial incursions while red army resistance also is typically also the major factors limiting derman aerial incursions while red army resistance also is typically also the major factors limiting derman aerial incursions while red army resistance also is typically also the major factors limiting derman aerial incursions while red army resistance also is typically also the major factors limiting derman aerial incursions while red army resistance also is typically also the major factors limiting derman aerial incursions while red army resistance also is typically also the major factors limiting derman aerial incursions while red army resistance also is typically also the major factors limiting derman aerial incursions while red army red arm

Owen. White and W. Cos.
American League
R. H. E. ments and communications be-St. Louis 0 5 0 hind the Russian front. 6 has reverted from blitzkrieg to 5 an old-fashioned pitched battle traveled along railroads less than 200 miles from the Don Chicago 6 11 1 battlefields. Nowhere were there any signs that a titantic to action. Wade, Weiland (7), and Haynes (9), and Turner, Breuer, Lindell minutes away as a fast bomber with the control of the control o

Unlike a year ago when the Germans bombed far ahead of their objectives, the nearest target they have raided heavily swung gently above thatched during this offensive has been title more than 100 miles from the fighting lines.

But there are plenty of planes in evidence in this area — all Russian.

Intense activity of the red sharp thunderstorms.

Great arms of windmills swung gently above thatched roofed cottages. Women and children toiled in the fields while their men went to war.

Everything appeared to be moving freely and promptly—a highly important factor in the farflung battle of the Don.

White and W. Cooper. to Voronezh has failed to dis-turb smooth mechanical move-The fighting for Voronezh

> struggle was going on just 40 A brilliant panorama unfold-minutes away as a fast bomber ed over the steppes as 1 crossed under a pale blue sky and hot Unlike a year ago when the sun, tempered occasionally by