

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.

Herald and News

ASSOCIATED PRESS

THE SHASTA-CASCADE WONDERLAND

NEA FEATURES

PRICE 10 CENTS

KLAMATH FALLS, OREGON, FRIDAY, JULY 24, 1942

Number 9548

Weather News

July 23—High 87, Low 62
Precipitation as of July 17, 1942
Last year 13.02
Normal 11.97
Stream year to date 13.17

REDS MAKE GRIM STAND ON DON

Third Jap Transport Knocked Out

In The Day's News

By FRANK JENKINS

THE Germans claim today to have taken Rostov. The Russians admit that fighting is going on in the outskirts of the city.

AT this point let's do a little map study.

Rostov is on the NORTH bank of the Don, which in its lower reaches makes a great bend and comes into the Sea of Azov from the east.

It is BACK OF THE DON that the Russians are organizing their lines for the final defense of the Caucasus—and of the Volga river.

THE Germans claim to have forced a wide crossing of the Don northeast of Rostov.

Maybe.

But in view of the fact that the Russians are still fighting in Rostov it seems improbable. Fighting with your BACK TO A RIVER is one of the most dangerous of military enterprises, usually resorted to only in cases of desperation, and doubly dangerous when your enemy has forced a crossing not far away.

It is hard to imagine that Timoshenko would permit himself to be caught in a trap like that. It is more likely that the Germans HAVEN'T crossed.

IT is possible that Timoshenko is holding his bridgeheads at Rostov, as he has held at Voronezh.

In that event, he might be preparing a trap for the Germans.

ALL this, it must be remembered, is the purest kind of guesswork—and non-military guesswork at that.

It is suggested merely by the nature of the battlefield, which lies in a great bend of a great river, with the Russians holding (at last accounts) two bridgeheads at points that might conceivably become the mouth of a sack with the Germans inside and the Russians pulling the drawstring.

THIS sounds like wishful thinking—and probably is.

But, from the outside looking in and wholly without access to the facts that are known to the high commands, there is something slightly odd about this battle at the gates of the all-important Caucasus.

For example:

The allies as yet have launched no second front. If the plight of the Russians were as desperate as might easily be imagined from the dispatches of recent days, it appears to an outsider that the allies (the British and Americans) would be compelled to throw everything they have into an attempt to divert German strength away from the Caucasus drive.

Another oddity: The Russians as yet have launched no counter-offensive on a major scale. It is hard to believe they would not have done so, or would not do so NOW, if their situation were desperate.

The oil of the Caucasus and the Near and Middle East simply CAN'T be lost without an all-out effort by our side to save it.

IF the situation were as desperate as might easily be imagined from the German gains of the past few days, there could be only one reason for the allies not launching a major diversion which would be timed with a great Russian counter-attack.

That reason would have to be UTTER LACK OF POWER to take the offensive.

One can hardly believe that to be the case.

AIRMEN MAUL ENEMY'S NEW GUINEA BASE

Frenzied Invasionists Forced to Leap From Barges

GEN. MACARTHUR'S HEADQUARTERS, Australia, July 24 (AP)—Before the Japanese could settle down in their newly-seized base on the southeast coast of New Guinea, allied airmen went to work on them yesterday, knocking out the third transport in three days, destroying shore installations and forcing frenzied invasion troops to leap wildly overboard from landing barges.

But despite the heavy cost the enemy went ahead with operations in the Gona mission-Buna area, where a toehold was gained Wednesday, and a military spokesman indicated another small sea-borne Japanese force had been put ashore at Ambasi, 30 miles up the Papua peninsula coast from Buna.

Fires Started Allied dive-bombers, used for the first time against land targets in New Guinea, and medium bombers made five separate raids on the Gona mission-Buna area and a headquarters communiqué said they started numerous fires.

A 500-ton fuel-laden transport was caught squarely amidships and set afire. Previously two other transports were hit, and one of them sunk as the cruiser and destroyer-protected Japanese convoy moved down the coast from Japanese-held Salamaua.

Allied fighters joined yesterday's attacks, skimming just (Continued on Page Two)

British Maintain Deafening Silence On Second Front

LONDON, July 24 (AP)—The British press maintained an almost deafening silence on prospects of a second front today, a silence broken only by Lord Beaverbrook's Evening Standard, which printed a drawing by cartoonist David Low.

Low pictured the British soldier beset by civilians warning him to "Remember Dunkerque." "Why not let the nazis and Russians fight it out?" and "Of course the difficulties are practically insuperable."

Low's caption read "But you can do it, son," with the "you" underscored.

Materials at Hand for Plane Plan, Kaiser Says

SAN FRANCISCO, July 24 (AP)—Henry J. Kaiser, who wants to build giant flying cargo ships on a mass production basis, offered today to break the bottlenecks blocking his plan.

He said he already had been offered all the aluminum needed for the program, and declared that the required engines—another bottleneck—could be supplied by the automotive industry.

The war production board objected that materials were unavailable when Kaiser, master shipbuilder of the west coast, first announced his air ship building plan at Portland, last Sunday.

Answering some objections last night in a radio broadcast (Blue Network, March of Time), Kaiser said that J. Lewis Reynolds, operator of a large aluminum plant near Portland, Ore., had offered to supply all of that metal needed for immediate production.

He declared that Henry Ford, the motor manufacturer, already had cited the ability of the auto-

Let's Find Out What's What, Boys



Andrew Jackson Higgins, left, New Orleans shipbuilder, whose contract for 200 "Liberty" cargo ships was canceled, gets down to business with Louisiana representative Hale Boggs, center, and James Domeneaux, as the announcement was made that the house would open an inquiry into the cancellation. Higgins charged before a house committee today that employees of the maritime commission had been ordered "to soft-pedal" his work and "build up Bethlehem."

Laws to Curb Profiteering Demanded

WASHINGTON, July 24 (AP)—Laws to curb the profiteering fringe of war contractors were demanded today as the result of a year-long investigation by the house naval committee.

In a summation of its inquiry, the committee said that 95 per cent of contractors were doing an honest job but "the other 5 per cent appear to be taking advantage of the war situation."

For that group, the report suggested action to limit profits. It added, however, that "whether this ideal should be achieved through a direct limitation law, excess profits taxes, or some other means should be carefully considered by the proper committees of congress."

The excessive profits of the 5 per cent group ranged as high as 1,788.22 per cent on individual contracts. This was the black spot in a report which otherwise commended the navy for its "high degree of efficiency" and industry as a whole for doing a "magnificent job."

On the basis of its study of 39,405 naval contracts, with a total value of \$4,599,087,085, the committee reported that profits averaged 8.1 per cent of cost, and described that figure as "reasonable." Largest profits in a specific field showed up in engineering and architectural where a survey of contractors was made.

(Continued on Page Two)

HOUSE HEARS SHIP CONTRACT EVIDENCE

Higgins Officials Accuse Commission of Soft-Pedaling

WASHINGTON, July 24 (AP)—Objections by Representative Cox (D-Ga.) halted today house consideration of a resolution which would have asked the maritime commission to stay its order cancelling a contract with the Higgins Shipbuilding company of New Orleans for construction of 200 liberty cargo ships.

Chairman Bland (D-Va.) of the house merchant marine committee offered the resolution, saying it had been approved in an informal poll of committee members, but that a formal meeting had not been held to discuss the proposal.

Speaker Rayburn commented, "This is an unusual procedure," (Continued on Page Two)

Baseball

National League			
	R.	H.	E.
Cincinnati	2	10	1
New York	3	9	0
Walters and Lamanno; Schumacher, Adams (7), Feldman (9) and Danning. (10 innings).			
	R.	H.	E.
St. Louis	8	16	0
Boston	0	6	1
Lanier and W. Cooper; Tobin, Wallace (9) and Lombardi.			

Hand Grenade, Flare Bomb Found In SF Hotel

SAN FRANCISCO, July 24 (AP)—A hand grenade and a parachute flare bomb were found today hidden under a bathtub in a San Francisco hotel.

A houseboy of the Lankershim hotel, where soldiers frequently stop, found the explosives. Inspector Harry Majors, police explosives expert, said the grenade of a type used by the United States army, was powerful enough to kill a roomful of people.

The flare, also of American make, is the type dropped by planes to light up an area before bombing it.

Both were hidden under a tub in a public bathroom on the fourth floor of the hotel.

PLANES DESTROYED

VALLETTA, Malta, July 24 (AP)—Eleven axis planes were destroyed over Malta in the last 24 hours, bringing the July total of enemy aircraft shot down to 213, the British announced tonight.

BRITISH KEEP HAMMERING AT ROMMEL LINE

Steady Bombardment Blasts Axis Gun Emplacements

CAIRO, July 24 (AP)—British armored forces continued to stab at the axis forces west of El Alamein while consolidating positions won on the northern and central sectors in two days of sharp fighting. Gen. Sir Claude Auchinleck's headquarters announced today.

At the same time the enemy was subjected to a steady bombardment by artillery and by the RAF, which blasted at axis gun emplacements, concentrations of motor vehicles and communication lines.

Most of the action, the communiqué said, again centered on the central front, where the British have driven the enemy from the western end of El Ruweisat ridge, and in the coastal area, where Australian forces were reported in control of the "Hill of Jesus" and neighboring ridges.

In the southern sector, fringed by the salt marshes of the Qattara depression there was no fighting worthy of mention, the bulletin said.

There was some enemy air (Continued on Page Two)

Alcohol-Rubber Bill Goes to White House

WASHINGTON, July 24 (AP)—The house passed today and sent to the White House an administration-opposed bill to create an independent agency for production of synthetic rubber from grain alcohol.

The senate passed the measure earlier in the week.

The house action disregarded protests of the war department and the war production board and predictions of administration spokesmen that President Roosevelt would veto the bill.

Opponents cited a communication from Under-Secretary of War Robert P. Patterson and an earlier statement by Production Chief Donald M. Nelson that the proposed agency would confuse the government's synthetic rubber program and divert critical materials from vital war needs.

The measure was pressed by a farm bloc led by Chairman Fulmer (D-S. C.) of the agriculture committee who declared it was designed to "expedite the prosecution of the war by making provision for an increased supply of rubber."

Army Observation Plane Crash Kills 3 Fliers

WAYNESBORO, Tenn., July 24 (AP)—An army observation plane crashed near here just before noon today, killing Maj. Gen. Frank C. Mahin, commanding officer of the 33rd division at Camp Forrest, Tenn., and two army fliers.

An army official at the Tennessee (Tenn.) air base who declined use of his name said the plane was en route from Tullahoma to Fort Sill, Oklahoma.

The official identified the other victims as Second Lt. Robert E. Turk of Wichita, Kans., and Sgt. John Camerford of Alamo, Texas, both attached to the 127th observation squadron at Tullahoma.

Italian Runs to Surrender



Penetrating into enemy territory in Libya, a British patrol captured five enemy vehicles loaded with supplies. A British source says this picture shows the Italian driver of one of the trucks running to surrender.

RAF BLASTS RUHR WITH 2-TON BOMBS

Nazi Airdromes in Low Countries Are Also British Target

LONDON, July 24 (AP)—An RAF bomber force several times greater than the number of German planes sent over England blasted the Ruhr and Rhineland, including Duisburg, with two-ton bombs last night, air ministry sources said today.

The German force was estimated at 40 planes.

Nazi-occupied airdromes in the low countries also were bombed and railways and other targets in invaded territory were attacked in the night by fighters.

It reported that seven British bombers were missing, but two enemy aircraft were destroyed during the continental raids and seven German bombers were shot down during night attacks on Britain.

The Nazi craft bagged over Britain were among formations (Continued on Page Two)

Taft Attacks Treasury-Okehd Payroll Levy

WASHINGTON, July 24 (AP)—Senator Taft (R-Ohio) asserted in senate finance committee hearings on the \$6,271,000,000 revenue bill today that imposition of a treasury-approved payroll collection levy would have the effect of requiring 24 per cent tax payments by ordinary citizens in 1943.

Randolph Paul, assistant secretary, told the committee that the collection at the source of 5 per cent advance tax payments on wages, dividends and interest was considered "definitely important" by the treasury as an anti-inflation measure.

But Taft contended that the provisions of the house-approved bill which would require employers to withhold 5 per cent of the pay of single persons making as little as \$11 a week and married persons without children receiving as little as \$26 a week, would impose undue burdens on low income individuals.

Committee members said they could foresee federal taxes approaching \$40,000,000,000 yearly should congress adopt a recommendation of Treasury Secretary Morgenthau to lift levies eventually to the British level.

Wool Committee Presses For Action From WPB

WASHINGTON, July 24 (AP)—The senate special wool committee pressed today for action by the war production board and department of agriculture on a proposal that the latter purchase all domestic wool for the duration of the war.

Views of both agencies—the department favoring the purchase and the war production board undecided—were aired at a closed session of the committee.

Chairman Schwartz (D-Wyo.) said later that the department and WPB promised to inform the committee, whose members also favor purchase of the domestic wool clip, by next Monday or Tuesday whether an agreement could be reached.

Witnesses at the hearing were Frank Walton, deputy chief of WPB's textile, clothing and leather division; Lawrence Myers, chief of the general crops division of the commodity credit corporation, and J. Byron Wilson of McKinley, Wyo., chairman of the legislative committee of the National Wool Growers association.

Wilson said after the hearing he had that the war production board had been "evasive and stalling" and that during the first World War, when the quartermaster general took over the wool clip, "for the first and last time each grower got exactly what his wool was worth."

Schwartz said evidence showed the two agencies had been discussing the matter since June 1 without reaching a decision. The chairman explained that the agriculture department's stand, as outlined by Myers, was that it wished to be the sole buyer of wool for the duration of the war and a year thereafter, to stabilize wool prices and encourage production.

The department also felt, Schwartz said, that it was necessary that the WPB issue an order freezing wool in the hands of producers and the department, leaving brokers functioning on the basis of commissions and fees.

NAZIS OVERRUN DONETS BASIN, CLAIM ROSTOV

U. S. Built Planes Bolster Russ Fight For Life

By CLYDE A. FARNSWORTH Associated Press War Editor

Germany proclaimed today that Rostov had been stormed and captured, although not yet mopped up, and Moscow reported that unprecedented numbers of United States-built planes—especially Douglas Boston bombers—had taken to the Caucasus skies to bolster Russia's fight for life.

It seemed obvious to observers both in Moscow and London that the Russians, with strong forces in depth, were preparing for a showdown in the Caucasus fight along the Don or to the south.

Meanwhile, Finland was circulating a veiled suggestion that the United States might help take her out of the Hitler camp, where she stands to gain little even in event of German victory and to lose much if the United Nations win.

By broadcasting a Stockholm newspaper editorial with their own explanatory comment the Finns urged the United States to elucidate its position on protection of such countries as Finland in the event of a Bolshevik-dictated peace.

Zone of Action The prospect of a limited allied offensive in Europe to divert German pressure from Russia and also safeguard communications with Russia has emerged predominantly in second front speculation and northernmost Norway and Finland would seem to fill these specifications as a zone of action.

The Hitler command announced today capture of Rostov, capital of the northern Caucasus, on the main railway and pipeline which tap the oil and mineral wealth of the deep Caucasus, and the Russians, while not acknowledging the claim, said the battle had reached the city gates.

Quickly the Germans followed this up with an announcement that resistance by fresh Russian troops within the Don bend had been broken.

Moscow dispatches said, however, that red armies had taken a last ditch stand on the lower Don and were developing a flank attack against the east wing of the German lodgement in the Tsimlyansk region, about midway between Rostov and Stalin grad.

From the wording of the Moscow communique the flank attack (Continued on Page Two)

Charges Filed For Non-Legal Sale of Tires

PORTLAND, July 24 (AP)—Assistant U. S. Attorney Mason Dillard filed a federal charge against Morris E. Barhan of Westport, Ore., today of selling tires and tubes without authorization to persons without ration permits for excessive prices.

Barhan is proprietor of a general store.

The complaint charges Barhan falsely reported theft of 261 tires and 131 tubes on June 14 whereas actually he sold them without authorization of the Astoria tire rationing board.

Deputy U. S. Marshal Leo McLain left here at noon for Westport with a warrant based on the complaint. Dillard said he would ask \$5000 bond or \$3000 cash bail. He estimated excess profits in the tire deals amounted to about \$3000.

News Index

City Branches	Page 5
Church News	Page 8
Comics and Story	Page 10
Courthouse Records	Page 5
Editorials	Page 4
Information	Page 5
Market, Financial	Page 6
Pattern	Page 7
Sports	Page 9