

INDEPENDENT AGENCY BILL FAILS TO PASS

Editorials on News

(Continued From Page One)
headed by Bernard Baruch and including President Conant of Harvard and President Compton of Massachusetts Institute of Technology to look into the whole rubber problem and report to him.

WE certainly need a statement on the rubber situation by someone in whom the public HAS SOME CONFIDENCE.

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this group declined to detail their discussions but said it would be assumed that there would be no decision on nationwide gasoline rationing until the Baruch committee reported. In a separate letter to Baruch, the president said "a quick but adequate survey of the entire rubber question . . . would include not only facts with respect to existing supplies and estimates as to future needs, but also the question of the best method to be followed for obtaining an adequate supply of rubber for our military and essential civilian requirements."

Baruch issued a statement in which he said:

"Command Received"
The president's command has been received. The committee has organized itself and is in action.

"There will be no public hearings or statements, although we may announce the names of those experts working with us."

"Whatever we have to say will be in our report to the president, which we will make as quickly as we can determine the facts."

Mr. Roosevelt said the bill he was vetoing—passed by the congress with the backing of the farm block—would hamper instead of aid the war effort.

Break-Up Charged
The measure, the president said in a message to the senate, would break up an existing logical coordination of centralized control in the war production board and override priorities established by WPB for materials necessary to make hundreds of products essential in war.

Noting that the board had allocated a certain amount of rubber to be made from both agricultural products and petroleum, Mr. Roosevelt said that both types of plants now are being constructed and that others are planned for construction "at the greatest possible speed."

The president said that to take the problem out of the hands of an experienced board with an over-all knowledge of military and civilian needs would disrupt a unified and expeditious war production program.

Discussing creation of the three-man committee, the president spoke of confusion over the rubber situation, saying:

"In recent months there have been so many conflicting statements of fact concerning all the elements of the rubber situation — statements from responsible government agencies as well as from private sources—that I have set up a committee of three men to investigate the whole situation—to get the facts—and to report them to me as quickly as possible with their recommendations."

Fifty dollars a car is the average tax valuation of automobiles in the United States.

NAZI OCTOPUS CLOSING IN ON WEST CAUCASUS

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mans drove new wedges into Soviet lines at a great sacrifice in lives, front-line dispatches said. A bulletin from German field headquarters said Nazi spearheads, racing southward from Voroshilovsk, had reached the main trans-Caucasian railway linking the Black and Caspian seas.

This apparently meant that the invaders had seized the rail line below Armavir, key junction on the route, somewhere in the vicinity of Nevinnomysskaya, which lies due south of Voroshilovsk. It would represent an advance of about 235 miles into the Caucasus.

As the crisis mounted, with the Red armies hurled back in two key sectors during bitter night fighting, Europe's capitals rang with new talk of an allied second front in western Europe. "Day is Near"

"Every day brings nearer the time when the agreement signed between Britain and the U. S. S. R. on the urgency of establishing a second front in Europe will be put into effect," the Moscow radio said.

In London, Premier Pieter S. Gerbrandy of the Netherlands government-in-exile broadcast to his countrymen in Nazi-occupied Holland, declaring that the tide of war was turning.

Simultaneously, a fresh flood of Nazi-inspired propaganda emphasized the asserted strength of German defenses to combat a cross-channel invasion attempt. One dispatch told of "mighty fortifications of concrete and iron" extending deep inland from the English channel coast.

On the Russian front, massive battles raged throughout the night, and at mid-day, the Soviet command acknowledged that Marshal Semeon Timoshenko's armies southeast of Rostov, and in a new zone at Kotelnikovskii, 95 miles southwest of Stalingrad.

But although Moscow commentators hinted at an impending Russian counter-offensive, once Hitler's big push has lost its momentum, there was still no indication that the Red armies were able to do more than fight a stubborn retreat in sector after sector.

Aroff Brings Dignity to Court-Martial

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courtesy extended enlisting Stanford law students.

Aroff said he enlisted in the navy at the age of 14, became a master plumber by 19 and at 20 was "superintendent of one of the largest heating and plumbing concerns in Los Angeles."

He described himself as "one of the original designers of prefabricated houses," former weight lifting champion and former boxing champion.

He said he applied for a commission in the naval reserve in 1936 but was rejected for lack of professional experience and education. Intensive tutoring on navigation, seamanship and mathematics enabled him to get the commission the same year.

Concrete Subs Proposed by 'Mystery' Murray

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only one heard today in the subcommittee's inquiry into war cargo-carrying possibilities.

After Mr. Murray had testified, Lee told reporters he was convinced concrete could be used for the manufacture of cargo-carrying submarines. He said a concrete submarine could be built with one-fifth the steel used in an all-steel submarine.

Murray, Lee added, wanted to build a pilot plant for the construction of the first concrete submarine, explaining that once the forms were built submarines could be turned out as fast as the concrete could be mixed and poured.

Hear Convention Report—The Democratic Central committee will hear a report of State Committeewoman Agnes LaLonde on the state convention in Portland July 30 when the group meets tonight at 8 o'clock in the circuit court room. All interested in party policies are urged to attend.

CARD OF THANKS
We wish to thank the many friends for their kind expressions of sympathy and for the beautiful floral offerings tendered to us in our bereavement in the loss of our husband, father and brother. We especially thank the Klamath Lodge No. 77 A. F. & A. M.

Mrs. Pearl Burnett,
Mr. and Mrs. Lyle Hickman,
Mr. and Mrs. S. L. Burnett.

U. S. Fliers Bag 'Photo Joe' in New Guinea Battle

GENERAL MACARTHUR'S HEADQUARTERS, Australia, Aug. 6 (AP)—American fliers who shot down six Japanese planes in recent battles over the Gona-Buna area of New Guinea told today of a special prize they bagged—a "photo Joe."

They reported downing five Japanese naval Zero fighters and said the sixth plane—a twin-engine craft—unmistakably was a reconnaissance plane used by the Japanese for high altitude photography.

A formation of five United States medium bombers encountered the photography plane before meeting the Zeros. Lieut. J. S. Kale of Bellingham, Wash., and 1305 E 43rd St., Seattle, said "Photo Joe Flew out of a cloud toward us as bold as anything. He knew

we were in formation, probably under orders, so we wouldn't take after him."

"What he forgot," said Kale, "was our fighter escort above. My tail gunner, Sergeant Berrick, saw three fighters sweep down on Photo Joe. He didn't have a chance then."

A few minutes later seven Zeros attacked the bomber formation. One plane piloted by Lieut. Carl G. King of La Grange, Ga., was forced out of formation and five Zeros chased it for half an hour.

"We got two of those Zeros," said Lieut. Albert Hutchinson, of Scooba, Miss.

The tail gunner, Sergeant W. H. Rohler of Ohio was credited with one. The turret gunner, Sergeant H. G. Davis of West Virginia, bagged the other. A third plane was seen to be damaged.

HOLBROOK FORESEES POST-WAR INCREASE

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also declared for elimination of unnecessary government spending and local tax saving during the period when there is a heavy demand upon the public for financing the war effort.

Holbrook spoke in response to the welcoming remarks by Mayor or Houston and President Dale of the local realty board.

Realtors arrived in large numbers on the southbound train Wednesday evening and were greeted by the mayor and the city band. A huge key to the city was handed Holbrook on that occasion.

Simpson Arrives
David B. Simpson, president of the National Association of Realty Boards, for whom the convention here has been named, arrived Thursday morning and spoke Thursday at the Kiwanis club. He will deliver his principal convention address Saturday evening at the convention banquet.

Donald M. Erb, president of the University of Oregon, will speak at a banquet in the Willard hotel Thursday night. His topic will be "History and Destiny."

At noon Thursday, William MacRossie, Greenwich, Conn., spoke at a luncheon session. MacRossie is chairman of the American Institute of Real Estate Appraisers, and is a member of the Washington committee of the National Association of Real Estate Boards, appointed with Simpson.

"Ear to Ground"
He outlined the work of the committee, stating it behooves realtors to keep their "ears to the ground" in Washington. He pointed out that the army and navy are the biggest users of real estate the world has known, and noted the many ways in which the government is now interested in the real estate business of the nation.

"We are in Washington to protect private enterprise as it relates to the real estate business so far as possible," said MacRossie. "Expansion of government agencies is tending to absorb the management of real properties. We are doing all we can to prevent it."

He said his group had achieved a position where it obtains a ready hearing with any agency chief in Washington.

Other convention events of Thursday included a morning discussion of "Farm Appraisal" led by Frank Kinney, Eugene, and with Robert W. Prescott, Eugene, and Fred W. Hutchcroft, McMinnville, taking part. In the afternoon, Read M. Ireland of Portland talked on "Farm Financing." The session chairman was Harold A. Whitfield, Vancouver, and J. L. Ketch, McMinnville, was discussion leader.

Important convention committees were named by President Holbrook Thursday. The nominating committee included: E. H. Peterson, Eugene; William G. Hardy, Salem; W. Pettyjohn, Salem; J. R. Hayler, Portland; E. M. Chilcote, Eugene; Hazel P. Foster, Portland; Tom Stoddard, Portland; and Ernest Miller, Salem. On the resolutions committee are James Rodman, Eugene; David Simpson, Portland; Fred G. McGowan, Portland; Will H. Ross, Portland; Frank Ira White, Klamath Falls; R. C. Dale, Klamath Falls; George F. Crow and Sam Plunkett.

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NOTICE TO Home Owners
Have that SEPTIC TANK cleaned before August 15. Prices will raise from 25% to 35% on that date. Most tanks need cleaning about every two years. Call 7633 for information.

PELLEY CONVICTED, PLANS NEW TRIAL

(Continued from Page One)

fense Attorney Floyd Christian said, and if it is denied the case will be appealed promptly to the U. S. circuit court of appeals in Chicago.

The spruce little man who once headed the Silver Shirts of America was convicted last night by a federal court jury which also convicted two business associates, Lawrence A. Brown and Miss Agnes Marian Henderson.

Brown and Miss Henderson were found guilty of one count of conspiracy to commit sedition.

The three were officers of the Fellowship Press, a publishing house at Noblesville, Ind., where Pelley's magazine, The Galliean, was printed once a week. The government charged statements in The Galliean were made "willfully to cause or attempt to cause insubordination, disloyalty, mutiny and refusal of duty (in U. S. military forces), and also to obstruct recruiting."

Detroit German Given Noose For Treason
(Continued from Page One)

ures of millions. If the lives of many of our boys are to be taken to help such a cause, this court should not hesitate to take the life of one traitor if it, in turn, will help that same just cause."

The courtroom was packed as the first man convicted of treason since the famous "whiskey rebellion" was brought before the federal judge for sentence.

RUHR SMASHED
LONDON, Aug. 6 (AP)—The RAF's big night bomber squadrons, determined on destroying Germany's arsenal in any weather, smashed at the Ruhr valley last night for the second time running. The air ministry announced today. The weather still was bad and British sources said the night air operations were not on a large scale.

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K. C. Hall
9:30 P. M.
Estlin Kiger's Orchestra
Regular Townsend
Meeting at 8 o'clock

INDIA ISSUE APPROACHING CRISIS AGAIN

(Continued from Page One)

a newspaper statement, intended to "preserve law and order" in India until after the war, then give the Indian people an opportunity to attain self-government. (Britain, he said, was determined as the Indians themselves to see the vast subcontinent self-governing but asked them to be patient "not because we want to delay but because the hard facts of war make a complete change impossible at the moment.")

Pandit Jawaharlal Nehru, former president of the congress party, took the stump himself last night to explain the "quit India" resolution but to denounce again the British government's disclosure of material seized in a police raid on congress headquarters at Allahabad.

His audience of 10,000 seated on a grass park in the cotton mill section of Bombay applauded when he said he wanted the people's moral support for the United Nations. He stressed again, however, that "the first step should be for Britain to withdraw." He added this did not mean that allied armies should leave India.

STATE FILES SUIT IN FLOOD DAMAGE
The state of Oregon entered the litigation lists Thursday in the Algoma flood affair, filing a suit for \$49,172.35 against the California Oregon Power company, Southern Pacific company, and others. This is one of many suits which have been filed since the canal break two years ago resulting in the flooding of a considerable area of land in the Algoma draw north of here.

In its complaint, the state highway commission gave \$49,172.35 as the cost of reconstructing a section of The Dalles-California highway, washed out and flooded by the high water.

It blamed Copco for failing to maintain and reinforce the banks of the canal which broke, and it blamed the railroad for failing to provide a control gate at the place where Upper Klamath lake water enters the Algoma mill pond. The canal is an extension of the mill pond.

CARD OF THANKS
We are gratefully acknowledging and thanking our friends for your kind expression of sympathy on Aug. the fifth. Mrs. M. Lazarus and Family.

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Realtor Sidelights

About 50 women, visitors at the realtors convention, went on a boat trip on Upper Klamath lake as one of many special entertainment features arranged by the convention committee headed by H. B. (Dick) Maguire. Copeo and many Klamath pleasure craft owners provided the boats for the jaunt.

A convention golf tournament opened at the Reames Golf and Country club Thursday afternoon. There will be golf on all three days of the meeting.

Three Portland newspapermen are here to "cover" the realtors' meeting. They are Paul Laartz, real estate editor of the Oregonian; John Richardson, real estate editor of the Journal, and Harry McLean, real estate classified advertising man for the Journal.

Back in his home ballfield is Tom Stoddard, former Modoc Point boy and now a big-time real estate of Portland. Tom is the son of the late N. Y. Stoddard of Klamath county. He is treasurer of the state association.

Convention headquarters are at the Willard hotel. The lobby of that hostelry was jammed Wednesday evening when the

ELECTION MIASMA HIT IN TAX TALK

(Continued from Page One)

suggestions of Secretary of the Treasury Morgenthau for controlling inflation through taxes were designed to "shield the majority of the voters" who, the witness said, were gaining most of the increased spending power.

He urged imposition of a graduated tax, ranging from 2 to 5 per cent, on retail sales, estimating that it would raise \$3,500,000,000.

Schieffelin said his organization believed a withholding tax on salaries ought to be deferred until the government "imposes an effective price-control law including farm prices and wages, thus insuring that the people's money will continue to buy what they need instead of being chiseled away by creeping inflation."

Senator Vandenberg (R-Mich.), expressing agreement, said: "Until you gear wages to prices a withholding tax will simply result in a general wage increase in the country."

Portland train brought in a large crowd of realtors.

Busy man these days is Larry Bome, secretary of the state realtors association. Bome has been here for quite a while making preliminary arrangements for the convention.

THE BIG SHOW STARTS TODAY!

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A HOWL FROM START TO FINISH! Never a Fiancee... But Nearly a Bride!... A Romantic rumpus that puts the cave-man back in business. She said "NO" ... He said "YES" ... Guess who wins! It's Swell Comedy!

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