

VICTORIOUS REDS POUND TOWARD ROSTOV

(Continued From Page One)

backs, Hitler's field headquarters asserted that German troops engaged in "heavy but successful defensive fighting" on the three major fronts—Caucasus, Don and northwest of Stalingrad.

40 Towns Taken

The Nazi command said German counterattacks inflicted heavy losses on the Russians and beat off strong red army tank and infantry forces.

A series of bulletins and red army headquarters said tank-led soviet infantry columns had stormed into more than 40 additional towns and villages in the Caucasus during the last 24 hours.

Berlin Cautious

The Nazi radio belatedly acknowledged to the German people what the outside world has known for weeks—i.e., that the German armies are on the run.

Even this admission was couched in terms of utmost restraint and gave no inkling of the disastrous turn of the tide.

German troops in the eastern Caucasus completed, according to schedule, the shortening of front lines by withdrawing advanced strongholds, it became known in Berlin Thursday night, the broadcast said.

Suffers Injury — Mrs. John T. Decker, 58, route 3, box 532, suffered a painful injury late Friday morning when she fell on the stairs at her home receiving a fractured hip and wrist. She is receiving treatment at Klamath Valley hospital.

TOO LATE TO CLASSIFY

WILL THE PERSON who hauled or bought furniture from Regina Leiblein at 104 High street please contact Frank Leiblein, 1040 East Main, Phone 5636. 1-11

OIL TO BURN — For Union heating oils phone 8404, Klamath Oil Co., 615 Klamath Ave. 1-30m

OIL BURNER SERVICE, Phone 7149. 1-8

INTERSTATE BUSINESS COLLEGE can train you in a reasonable time for a good government position. Enroll now. 432 Main. 1-8

SERVICE MAN'S WIFE wants work in Klamath Falls. Dependable worker and pleasant personality. Phone 4571. 1-15

SMALL HOUSE suitable for two. Gas heat. Furnished. Phone 6465 between 6 and 8 evenings. 4407f

80 ACRES, improved, good soil. Electric pressure water system and good water. Tractor and other equipment worth about \$2000. 55 acres under the ditch. To sell at once—\$5500 takes it. Without equipment \$3600. Phone 7228. 1-9

FOR SALE — Fresh Guernsey cow. Rt. 2, Box 498, So. 6th. 1-9

LADY wishes office work, book-keeping and typing, part or full time. Phone 4245. 1-9

WANTED — Woman for hour work. 50c per hour. Must have local character references. Phone 3232. 4409f

French-American Camel Corps Takes Desert Town

(Continued From Page One)

Hoelle, of Sammatro, Calif., ran into a telephone pole while strafing a Tripolitanian road convoy, and lived to tell about it, the spokesman said.

He quoted Hoelle as saying: "I dove down on the motor convoy, attacked it and set some trucks on fire, and then banked to get away. My wing hit a telephone pole. The plane tipped over on its back and there I was going about 300 miles an hour, upside down, about a dozen feet off the ground. I felt like my face was scraping the ground."

Hoelle righted the plane and landed safely, with a hole ripped in the wing.

BYRD GOES TO WORK ON NYA APPROPRIATION

WASHINGTON, Jan. 8 (AP)—Senator Byrd (D-Va.) charged today that the National Youth Administration in some states had more work training stations than trainees, and confronted NYA Director Aubrey Williams with specific examples.

In fact, Byrd said at a hearing of the joint congressional economy committee, he heads, budget bureau figures show that 55,000 NYA work stations have been established, in comparison with the 33,000 trainees which Williams said were taking work courses last October.

Williams replied that only about 38,000 of the stations were in active use, however, because of NYA's sharply reduced appropriation.

Byrd contended NYA was not essential at this time but Williams argued that the current fiscal year appropriation of \$50,000,000 should be increased and the law liberalized to permit greater use of NYA facilities. The appropriation for last fiscal year was \$160,000,000.

INCOME TAX OFFICE SET UP IN KLAMATH

The Klamath Falls office of the federal department of internal revenue in the postoffice building has been given the status of major zone office, along with Salem, Eugene and Pendleton, according to announcement of J. W. Maloney, collector of internal revenue at Portland.

Beginning in about two weeks, the Klamath office will be kept open for the entire business day. The purpose, in particular, will be to extend advice and assistance to persons not familiar with the tax laws. Anyone wishing information on federal tax laws may call upon the local office.

William Owsley, deputy collector of internal revenue, is in charge of the office here. About January 18, he will be provided with a clerk-stenographer who will be qualified to render assistance during his absence. Klamath federal income taxpayers will still be permitted to mail their tax returns to the collector of internal revenue, Portland, as in the past.

Dealer shortages put new value on used merchandise. Cash in on your "junk" through a classified ad. Phone 3124.

SHORT DEFENSE ASKS QUASHING OF INDICTMENT

(Continued From Page One)

came a "matter of notoriety" in the whole of Klamath county and were discussed in press and over the radio. Ten minutes later, the motion alleges, the judge made an order calling the grand jury.

Audit Mentioned

(In connection with similar allegations made in a previous defense motion in this case, Judge Vandenberg stated there was "no swearing, no cursing and no striking.")

The motion filed Friday asserted further that the judge called the grand jury's attention to the county audit dealing with payments made to the clerk, and mentioned also a presentation of facts made by the grand jury to the judge and his instructions in connection with the Short case.

On or about December 1, 1942, the motion alleges, Commissioner Reber was called before the grand jury and asked certain questions about the conduct of the clerk's office.

Scratched Out

Judge Vandenberg, it was alleged, appeared before the grand jury and mentioned asserted shortcomings of the county clerk.

The names of neither Reber nor Vandenberg are endorsed upon the indictment, it was asserted, but the instrument shows names had been scratched out from the list of witnesses endorsed upon the indictments.

Judge Lewelling has said he will come here about the middle of January to handle matters in connection with the Short case. Judge Vandenberg was disqualified by defense affidavit to sit in this case, but indicated at the time that he would have disqualified himself if this action had not been taken.

Previous Motion

Mrs. Short is accused of accepting funds totaling \$95 in payment for overtime in connection with election work, and in payment for keeping records for the dog board. The state's contention is that these payments are not authorized by law.

Judge Lewelling has denied a previous defense motion asking for transcripts of instructions given the grand jury by Judge Vandenberg.

The motion asserts that the payments made to Mrs. Short were made upon judgment and order of the county court, in compliance with the law.

It points out that County Judge U. E. Reeder's name appears as a voluntary witness while that of Commissioner Reber does not so appear and was allegedly deleted along with that of Judge Vandenberg.

The alleged alterations invalidate the indictments, the defense attorney claimed.

Carnahan's filing claims that after the grand jury failed to indict Mrs. Short on November 20, Judge Vandenberg held the jury over to investigate unfinished matters, to wit, the case of Mrs. Short.

The future of the China incident is not necessarily bright. —Japanese army spokesman.

Lizards are an earlier type of primitive creature than are snakes, the latter having developed from the former.

Vermont was the first state to be admitted to the Union after the adoption of the Constitution by the original 13.

Potatoes

SAN FRANCISCO, Jan. 8 (AP-USA)—Potatoes: 2 California, 3 Idaho, 21 Oregon arrived, 24 unbroken, 27 broken cars on track; market about steady; Klamath Russets No. 1, \$2.60-2.75, few higher; No. 2, \$1.85-2.05; Idaho Russets No. 1, \$2.60-2.65.

LOS ANGELES, Jan. 8 (AP-USA)—Potatoes: 5 Idaho arrived, 31 unbroken, 19 broken cars on track; five cars diverted, seven arrived via truck; market steady; Idaho Russets No. 1, \$2.55-2.60; No. 1 2-inch minimum, \$2.80-2.85.

CHICAGO, Jan. 8 (AP)—Potatoes, arrivals 27; on track 100; total U. S. shipments, 873; old stock, supplies very light, demand for good quality moderate, market firm; new stock, supplies light, demand moderate, market firm; new stock, supplies light, demand moderate, market firm; Idaho Russet Burbanks, U. S. No. 1, \$3.00-15.

CIO CONVENTION STARTS IN EUGENE

EUGENE, Jan. 8 (AP)—The three-day convention of the Oregon State Industrial Union council (CIO) got underway in the Eagles hall here Friday morning with confirmation of committees by more than 100 delegates already arrived.

Committees and chairmen named include: Resolutions—Joe DeFreitas, Portland; constitution—C. R. Cooper, Klamath Falls; officers' reports—Joe E. Lee, Portland; rules—High Adams, Portland; legislation—Stanley Earl, Portland; sergeant-at-arms—Murray House, Willamina. Ralph W. Peoples, executive secretary, Portland, is convention chairman.

The meeting was opened by Bill Tanton, president of CIO local 246, Eugene, and greetings from the city were extended by Mayor Elisha Large.

Mrs. J. B. Thompson, business agent of the Eugene AFL culinary alliance, appeared briefly, asking for the group's cooperation in local organization work and received unanimous support.

Liberalization of the state unemployment insurance and workmen compensation laws was recommended to the convention by Secretary-Treasurer Ralph W. Peoples of Portland.

He also criticized withdrawal of CIO unions from the Oregon Commonwealth federation, asked a higher salary for himself, urged that plans to purchase a CIO building be continued and favored legislation to provide a larger staff and better pay at the state hospital.

Pointing to CIO gains, Peoples said four new unions have affiliated with the council and four reaffiliated since the Bend convention last February.

Dismissed — C. J. Speakman, United States navy recruiting officer in charge of the Klamath Falls office, was dismissed from Klamath Valley hospital Thursday after receiving medical attention.

1942 WAGES EXEMPT FROM VICTORY TAX

Payment of compensation in 1943, for an established pay period ended on or before December 31, 1942, is not subject to the Victory tax, according to information received by William Owsley, deputy collector of internal revenue, from the treasury department Friday.

The local office received a ruling to this effect from the commissioner of internal revenue.

Owsley said he had received "telephone call after telephone call" from various employers in an effort to determine whether or not the Victory tax applied to wages earned prior to January 1, 1943.

"My understanding of the ruling is that it does not affect wages prior to that date," Owsley stated.

FDR to Submit Data on Social Security Question

(Continued From Page One)

know but that probably he would submit some information, facts, and data, to the congress. A part of this information, he said, would be a post-war plan being prepared by the national resources planning board.

Recalling that previously the chief executive had suggested that domestics and farm labor and others now excluded by brought into the scope of the social security program, a questioner wanted to know whether he intended to go further along that line. He responded merely, again, that he intended to submit data. It will take a long time to study the data and find out what it is all about, he added.

Replying to an additional question, he said the subject ought not to be controversial as to objective, although there was room for differences on methods. It would be a great pity for the objective to be lost through disagreement on details, he asserted.

There are a great many methods of arriving at the objective, the president said, and that is a congressional function.

The next generation will see higher wages and shorter working hours which will come about through the genius of people who invent machine tools for us to work with and through the ability of men and women who handle the machines and tools in a way that will give better results.—Thomas J. Watson, president International Business Machines corp.

Hans Norland, Insurance.

"Conciliatory" Tone of Roosevelt Speech Pondered

By D. HAROLD OLIVER WASHINGTON, Jan. 8 (AP)—A congress which exhibited unusual bipartisan approval of President Roosevelt's road-to-victory message noted further today what many members called the "conciliatory" tone of the speech and pondered its significance.

Many republicans joined the democrats in predicting the re-

strained, non-belligerent wording on domestic questions would go far toward strengthening prospects for unity in the newly-sworn legislature. One republican asked the question whether the president had not cast his hat in the ring for a fourth term.

While the comment on the conciliatory nature of the address did not contend that the chief executive was heeding last November's election results, some informed legislators expressed the belief privately that Mr. Roosevelt was attaching greater weight to the counseling of conservative members of his party.

This, they said, was evidenced by the manner in which he advocated a broader social security system for all Americans. While saying he dissented from suggestions that this was no time to speak of a "better America after the war," the president omitted any specific program or time for its enactment in declaring that this great government "can and must" provide assurance for its citizens against all "major economic hazards . . . from the cradle to the grave."

Some of the president's more conservative advisers are known to have urged him against seeking now, in the midst of war, action on a new, all-inclusive social security structure.

JEFFERS SIGNALS CRISIS IN RUBBER

(Continued From Page One)

of movement as is now permitted under mileage rationing, in areas where the petroleum supply makes this feasible. Moreover, he added, passenger cars can use reclaimed rubber for recaps and even new tires, while trucks and military vehicles require crude and synthetic rubber.

If 65 to 70 per cent of the synthetic plant program were given unhampered preference in the competition for equipment and materials, the program could still hit a production rate in 1944 of 800,000 tons, Jeffers said.

This would suffice to keep the military machines of this country and the United Nations rolling, as well as essential trucks and buses, he observed. But it doesn't leave any for the tank and file of motorists. These, he said, would have to get along with recaps and reclaim until completion of the remaining 30 to 35 per cent of the program for which no special priority aid is being asked.

Twenty per cent of the program already has been granted a "special direction" by the war production board to guarantee speedy completion. The rest is snarled in conflict for materials and equipment with the high-octane aviation gasoline program and, to a lesser degree, with the escort ship construction program and with aircraft.

(Other reliable sources said Jeffers' additional requests had been laid before President Roosevelt, in an effort to get a final decision on the treatment to be accorded these conflicting "must" programs. Jeffers would not confirm or comment upon this.)

(These sources, not quotable by name, reported that the "special direction" for 20 per cent of the synthetic program gave it priority over all but equipment being produced for the North African campaign and such other urgent contracts as had triple-A priority standing and could be completed this month.)

(The hundred-octane gasoline program, essential to the doubled 1943 aircraft production goals, likewise got a 20 per cent green light, it was said. The plants require almost identical items of equipment in many cases.)

ALLIES BATTER CONVOY NEAR GUINEA COAST

(Continued From Page One)

ported concentrating a great mass of shipping.

Meanwhile, the navy in Washington reported that U. S. army air forces again blasted the Japanese bases at Kiska, in the Aleutian islands off Alaska, and at Munda, New Georgia, in the Solomon islands.

Results were not disclosed. On the Burma front, RAF bombers set big fires at the Japanese base of Akyab, on the Bay of Bengal, and strafed enemy positions near Rathedary, 25 miles northwest of Akyab, to clear the way for Field Marshal Sir Archibald P. Wavell's British columns driving back into Burma from India.

Trade News

Interesting Notes of Herald and News Advertisers, Their Products and Activities

"Start the New Year Right," says the headline "With the Right Combination for More Smoking Pleasure." The current Chesterfield theme is continued in the copy which points out the importance of proper blending in giving smokers a milder, cooler and better-tasting cigarette. The advertisement is illustrated with the picture of an attractive young woman dressed in the uniform of the American Women's Voluntary Services. In one hand she holds a sheaf of war bonds and stamps and in the other a letter and a carton of Chesterfields.

Reports from men in the service indicate that no gift is more welcome than cigarettes. On distant fronts, like Africa and the South Pacific, next to a letter from home there is nothing the men would rather receive than cigarettes made in the USA. Chesterfield points this out in its newspaper and radio advertising and urges its readers and listeners to send cigarettes regularly to men in uniform.

About 7.3 per cent of the 1940 total steel ingot production of 86,650,000 tons in the United States was alloy steel ingots.

First normal school in the United States was opened at Concord Corner, Vt., in 1823.

PELICAN

NOW • 2 ACE HITS!
Romance and Rhythm on the Range!



COMPANION TREAT!
EXCITEMENT IS HIS DISH!



STARTS SATURDAY MIDNITE!
LOVE! GOLD! ADVENTURE!



Sabatini's greatest story of the sea comes roaring on the screen...a mighty Technicolor triumph!

Tyrone POWER
Maureen O'HARA
in Rafael Sabatini's
THE BLACK SWAN
in Technicolor!
with LAIRD CREGAR-THOMAS MITCHELL
GEORGE SANDERS-ANTHONY QUINN
GEORGE ZUCCO

NEW TODAY
The funniest comedy they ever made!
STAN LAUREL and OLIVER HARDY
DANTE, the magician, in
A HAUNTING WE WILL GO
2nd Action Hit
with SHIRLEY RYAN and JOHN SHELTON
Color Cartoon • News
THE SPIRIT OF STANFORD
with FRANK ALBERT

RAINBOW
New TODAY!
2 Action Hits
The Three Men from the West
COVERED WAGON DAYS
with the Three Men from the West
BOB LIVINGSTON
Duncan Renaldo
Raymond Hatton
Key Griffin
2nd Hit!
He Used the Law to Escape the Law!
SEALED LIPS
with WILLIAM GARGAN
JOHN CLYDE
JOHN LITEL
ANNE NEAGLE

THEY'RE AT IT AGAIN!
THE DIRTY FACED ANGELS... STILL AS TOUGH AS EVER!
WELL'S KITCHEN
THE DEAD END KIDS
MARGARET LINDSAY
RONALD REGAN
PLUS THIS SECOND ACE HIT!
A WHOLE CITY WANTED TO KNOW
WHO IS HOPE SCHUYLER?
Joseph ALLEN, Jr., Mary HOWARD
Sonia RYAN, Ricardo CORTIZ
COLOR CARTOON NEWS

THE FUNNIEST THING ON FILM!
Today!
Love comes to JACK BENNY!
THE WORLD'S GREATEST LOVER... MARRIED WITH
ANN SHERIDAN!
IN WARNER BROS.' RIOT
"Geo. Washington Slept Here"
CHARLES COBURN PERCY KILBRIDE • HATTIE MCDANIEL
WILLIAM TRACY - Directed by WM. KEIGHLEY
ESQUIRE EXTRA!
DONALD DUCK • "Screen Snapshots"
Variety and News