

### 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

IN THE SHASTA-CASCADE WONDERLAND

NEA FEATURES

PRICE FIVE CENTS

KLAMATH FALLS, OREGON, MONDAY, JANUARY 11, 1943

Number 9691

### Weather News

January 10—High 37, Low 22  
Precipitation as of January 4, 1943  
Stream year to date ..... 7.88  
Last year ..... 6.32 Normal ..... 4.88

# FIGHT HOLDS UP SNELL INAUGURAL

## \$100 Billion Budget Told

### In The Day's News

By FRANK JENKINS  
HERE on the West Coast, we can't help listening first for news from the South Pacific. Today's developments there are reassuring.

THE Jap armada we have been hearing about for a week is being roughly handled.

It left Rabaul last Wednesday, and was immediately pounced upon by American planes. Three big transports were definitely sunk in the first two days and another badly damaged. It then took refuge at Lae.

Lae proved to be no refuge, for our planes continued to attack the Japs there. One transport was hit six times and left burning, another was hit three times and a third was set afire after being beached.

Finding Lae harbor too hot to stay in, the battered remnant of the Jap convoy pulled out and started back for Rabaul, and two more of its ships were hit on the way back. In all, 138 Jap planes were shot down or crippled.

IT looks like a shining example of what happens when surface ships attempt to operate among islands against land-based aircraft.

(LEST we become too cocky, here's the other side of the picture: The same thing is apt to happen to US if and when WE begin to operate against the Jap islands.)

WE'RE springing some kind of offensive action (details lacking) against the Japs on Guadalcanal. Its purpose seems to be to push them back out of shelling range of the airport, which we hold.

The navy communique again hints strongly that the Japs on Guadalcanal are getting short of food and ammunition.

THE Russians, moving down the Don, have narrowed the Rostov land gap to 80 miles. At the southern end of the Caucasus fighting, they are reported to have Georgievsk half surrounded. (Consult your map.)

They are narrowing the mouth of the sack, and at the same time are squeezing its bottom and sides. The squeezing is necessary, for the Germans are of course pouring in all the supplies and reinforcements they can spare along the main line of the Rostov-Baku railroad.

Today's dispatches say the German defenses in the Caucasus are apparently CRUMBLING FAST.

IN Northern Africa, allied bombers hit hard in the Gabes area, at the southern end of the railroad running down along the Mediterranean from Tunis. Their purpose seems to be to stop a junction with Rommel's army. Gabes, at the end of the Tunis railroad, is now Rommel's main base of supply.

NOTHING definite has been heard from Rommel for days. He may be at Tripoli now.

Wes Gallagher, AP correspondent in Northern Africa, says today that most allied observers think Tripoli can't be defended and expect the axis to concentrate its efforts on getting Rommel's forces into Tunisia. He is expected to make a stand at the border between Tripolitana and Tunisia, where the French had constructed a "little Maginot" line.

An officer at allied headquarters in Northern Africa, quoted in today's dispatches, puts it this way: "If the Germans attempt a stand at the border, which way will they turn the guns the (Continued on Page Two)

## NAZIS BACKED 75 MILES FROM OIL FIELD GATE

### Axis Defenses Held Cracking in Caucasus

By JAMES M. LONG  
Associated Press War Editor  
The recapture of two important communications centers in the Caucasus — the railway junctions of Georgievsk and Mineralnye Vody — was announced tonight by the Soviet command in a broadcast communique heard by the Soviet Monitor in London. Pyatigorsk nearby also fell, the Russians said.

These successes, which followed earlier announcements of the recapture of 13 other towns along the Rostov-Baku railway, showed an unbroken Russian advance which already had driven the nazis back some 75 miles from Mozdok, the gateway to the Grozny oil fields.

Power Spread Thin  
The German defenses in the Caucasus, apparently were crumbling fast, and although desperation stiffened the nazi stand in the lower Don, 60 miles from Rostov, and on the central front west of Velikie Luki, there was no sign that the Russian drive had bogged down.

With Germany's air power spread ever thinner by the broadening scope of allied aerial offensives, the Russians, once badly outnumbered in the air, reported a three-to-one ratio of victories last week—313 enemy planes destroyed against a loss of 93 soviet aircraft.

Gabes Battered  
American and British warplanes carried the fight to the enemy both in Europe and in North Africa.

Fighter - escorted American bombers battered railroad yards and oil storage tanks yesterday at the eastern Tunisian port of Gabes, and bombed a German military camp at Kebill, on the (Continued on Page Two)

## China, U. S. Sign Treaty Abolishing Territorial Rights

WASHINGTON, Jan. 11 (AP)—China and the United States signed a treaty today abolishing the system of extraterritorial rights in China.

A similar treaty was signed simultaneously in London between Great Britain and China. In effect the treaties abolish extraterritorial rights place China on a footing of equality with the other United Nations. China is assured that her sovereignty in post-war years will not be impaired by a system granting special rights and privileges in China to foreigners.

## Senate Gets Brown, Flynn, Rutledge Nominations

WASHINGTON, Jan. 11 (AP)—President Roosevelt sent to the senate today the nominations of Wiley B. Rutledge, associate justice of the United States court of appeals for the District of Columbia, to be an associate justice of the supreme court, and of Prentiss M. Brown, former Michigan senator, to be price administrator. The chief executive also nominated Edward J. Flynn, chairman of the democratic national committee, to be minister of Australia, succeeding Nelson Johnson, who is retiring from the diplomatic service.

Josh Lee, former senator from Oklahoma, was nominated to membership on the civil aeronautics board.  
The 48-year-old Rutledge, former dean of the law school



Speaker  
Robert W. Sawyer, publisher of the Bend Bulletin, will be the principal speaker at the annual Founders' day banquet of the Klamath county junior chamber of commerce to be held at the Willard hotel 19. Sawyer, a leading student of Oregon history, will probably discuss the colorful background of the central and south central Oregon country. He is also vice president of the National Reclamation association, former chairman of the Oregon Reclamation congress, and former member of the state highway commission.

## 19,000 STRIKING MINERS STILL OUT

### 5000 Return to Work in Pennsylvania Fields

WILKES-BARRE, Pa., Jan. 11 (AP)—Approximately 5000 striking miners returned to work today in Pennsylvania's anthracite fields, but an estimated 19,000 others continued a 13-day-old government-condemned walkout that has created the most critical hard coal shortages in years.

Heading repeated appeals from Fuels Coordinator Ickes, the war department and their own union leaders, 2000 workers resumed production on a limited scale at three collieries of the Glen Alden Coal company—the industry's largest operator—while 3000 took up their jobs (Continued on Page Two)

## Dorothy McCullough, Steiwer Trade Votes

SALEM, Jan. 11 (AP)—Senators Dorothy McCullough and W. H. Steiwer, candidates for the senate presidency, traded votes with each other. When the roll-call clerk got to her name, Senator Lee rose and asked Steiwer if they would trade votes. He agreed, so they voted for each other on every ballot.

## This Buried Treasure Is Really Frozen

SEATTLE, Jan. 11 (AP)—Police said a reward of \$500 today was offered for information leading to the recovery of \$2400 in "buried treasure" by a 52-year-old ironworker who thought bank deposits would be "frozen."

## Nazis Go Softly On Russian News

LONDON, Jan. 11 (AP)—The German foreign office commentary Dienst aus Deutschland said today that "the most rigid reserve must be maintained regarding the fighting in Russia, as the Russians are displaying their greatest strength now," a Rome radio broadcast heard here tonight, said.

## FDR ASKS FOR \$16 BILLION MORE IN TAXES

### Tax Program Outlined Includes Salary Limit

By IRVING PERLMETER  
WASHINGTON, Jan. 11 (AP)—President Roosevelt laid before congress today a \$100,000,000 war budget to speed the lay of victory, and to help raise this record sum he asked for \$16,000,000,000 in additional taxes or compulsory savings.

Altogether, Mr. Roosevelt estimated government spending in the fiscal year beginning July 1, at \$109,000,000,000, and he said in a message to the lawmakers, "this budget represents the maximum program for waging war."

Something New  
The new tax program he suggested included a \$25,000 limit on the income of anyone after payment of taxes, regardless of the source of his income.

The budget, which estimates spending for the 12 months beginning July 1, not only dwarfed anything in the history books, it represented more than the annual money expenditures of all the other belligerents on both sides of the war, put together.

Mc. Than Germany  
It was nearly three times what (Continued on Page Two)

## Naming of Flynn Termed "Insult To Australia"

WASHINGTON, Jan. 11 (AP)—Senator Bridges (R-N.H.) told the senate today that President Roosevelt's appointment of Edward J. Flynn, retiring democratic national chairman, as minister to Australia "is an insult to the people of that great nation."

Bridges attacked Flynn's record shortly after his nomination by President Roosevelt. Minority Leader McNary of Oregon previously had announced republicans would demand an investigation of Flynn's record and Chairman Connally (D-Tex.) said the foreign relations committee would meet Wednesday to consider any requests for hearings.

Reading a prepared speech, Bridges told his colleagues he did not blame the democrats for (Continued on Page Two)

## Wallace Proposal Noted, But It May Be Forgotten

SALEM, Jan. 11 (AP)—When Senator Lew Wallace, Portland, objected strenuously today to a proposal to have the three temporary senators take their seats permanently in place of three senators in the army, Sen. W. H. Strayer, Baker, temporary chairman, said:

"Your objection will be noted, and probably forgotten."

## About That Income Tax

Authoritative facts on your income tax will be found in a daily series of brief articles which starts on today's editorial page. These articles are prepared by the treasury department.



"Well—Both of Us Decorated!"  
Sgt. Norman Biehn, right, exchanged admiring glances with his brother, Sgt. Carl Biehn, when both Klamath boys were decorated with the Silver Star for heroism in the Pacific theatre of operations.

## INJUNCTION ASKED IN KAISER HEARING

### Members Charged With Prejudice In Appeal

PORTLAND, Ore., Jan. 11 (AP)—The Kaiser shipbuilding interests appealed to the U. S. district court of Oregon this morning for an injunction to prevent the NLRB from hearing charges of unfair labor practices against them.

The injunction was asked a few minutes after an NLRB hearing opened before Trial Examiner Robert N. Denham of Washington, D. C.

Unfair Charge  
The Kaisers charged Harry A. Mills, NLRB chairman, board members Gerald D. Reilly and William M. Leiserson and Trial Examiner Denham with prejudice in this case.

The NLRB hearing is on charges of unfair labor practices against three Kaiser shipyards here and in Vancouver, Wash., which originated with (Continued on Page Two)

## Crew Turns in Best Weather Report So Far

ANCHORAGE, Alaska, Jan. 11 (AP)—"Congratulations to crew weather ship for turning in best weather report so far rendered in Alaska," Maj. Gen. Simon B. Buckley wired a patrol plane of his Alaskan defense command Saturday, disclosing at the same time the plane had sunk a Japanese cargo ship at Holtz bay, Attu island.

On patrol since the first of the year, the crew sighted the ship, capsized it with two bomb hits and sank it with a third.

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## Biehn Brothers Swell Klamath List of Heroes

Brothers to be honored for heroism in the South Pacific war zone are two well known Klamath men, Sgt. Norman and Sgt. Carl Morton Biehn, sons of Mr. and Mrs. L. R. Biehn of Oakland, formerly of this city.

Both men are expected here soon en route to Pocatello, Idaho, where they will instruct at the air base there. As for their many Klamath relatives, it's a brass band and no less, when these two come marching home.

Both Norman, 24, and Carl, 22, served as radiomen in the same American Flying Fortress squadron, though they have flown in different planes. Both have the same Silver Star decoration although their awards are for different actions.

The official citation report reads: "Have obscured the moon but anti-aircraft fire gave away the position of the target. Then the enemy fire became so intense it was impossible to sight the target. The Fortress immediately flew into the screen of fire, and bombs were dropped (Continued on Page Two)

## In Case You Don't Have \$109 Billion, This Is How It Is

WASHINGTON, Jan. 11 (AP)—In case you don't have \$109,000,000,000—the amount of President Roosevelt's new budget—here are a few ideas on how big that sum is:

Divided equally, it would be \$819 for every man, woman and child in the country.

The treasury will have to pay out an average of \$3516 every second, 24 hours a day, Sundays and holidays included.

If paid out of current earnings, it would take 75 per cent of the national income (all wages, profits, dividends, etc.)

## Badly Battered Jap Convoy Takes New Pummeling; Plane Loss Boosted to 138

By The Associated Press  
The pummeling of a badly battered Japanese convoy fleet fleeing from New Guinea gained in scope today as General MacArthur's headquarters announced new aerial blows in which two more ships were hit and the total of Japanese planes shot down or crippled in four days of blazing action was boosted to 138.

Whatever forces the Japanese were able to get ashore at Lae before the convoy beat back for New Guinea Saturday night were landed only at heavy cost. And once ashore they still were under attack by allied airmen as strong formations of medium and attack bombers,

## SEMON, CRAVER NAMED TO POSTS

### Appointments Made At Salem by Speaker McAllister

Representative Henry Semon of Klamath county, one of the veterans of the lower house, will be chairman of the committee on agriculture and again will be a member of the powerful ways and means committee, it is shown in appointments made at Salem by Speaker William McAllister.

Semon is also on irrigation and drainage committee, and labor and industries committee.

L. H. Craver, Klamath's new legislator, is vice chairman of the committee on commerce and navigation. His other committee memberships are food and dairy products, health and public (Continued on Page Two)

## Mrs. Paul Sevick Cables From War Prisoners' Camp

From a cablegram received here late Saturday through the International Red Cross, Mr. and Mrs. Guy Bellant of St. Francis Park learned that their daughter, Mrs. Paul Sevick, is "safe in the Philippines."

Mrs. Sevick and child are evidently prisoners of war and this was the first word received directly from her since the fall of Manila. Her husband is also a prisoner, it was learned here this summer in an unofficial notice received through the war department. Sevick is the son of Mr. and Mrs. J. P. Sevick of Klamath Falls.

"All are well," the cablegram read, and it is signed "Esther."

## BATTLE OVER SENATE POST STALEMATED

### Dorothy Lee, Steiwer Deadlocked at 15-15 Vote

By PAUL W. HARVEY, JR.  
SALEM, Jan. 11 (AP)—The inauguration of Governor-elect Earl Snell, set for 2 p. m. today, was postponed indefinitely because of the battle for the senate presidency which remained unsettled after 10 ballots. At noon, after two hours of balloting, the senate recessed until 1:45 p. m. Two more ballots were taken at the opening of the afternoon session, but the result was exactly the same.

Senator Steiwer then asked his supporters from their seats and on the news that there was no change in the vote.

Steiwer, in releasing his supporters, said he did so to expedite the business of the legislature.

It was the first time in history that the inauguration of a governor had been delayed by the failure of either house to organize.

The forces of Senators Dorothy M. Lee, Portland, and W. H. Steiwer, Fossil, remained deadlocked at 15-15, with neither side having prospects of gaining a vote.

Slim Chance  
The Steiwer group, however, won a preliminary victory when the Lee supporters abandoned their efforts to unseat the three pro tem members—John Carson and Frederick S. Lamport, both of Salem, and J. J. Lynch, Portland. To have unseated the trio would have given Senator Lee a victory, as she would have gained a vote to have a 14-13 majority. Carson and Lamport are for Steiwer, while Lynch is for Lee.

There was a slim chance, however, that Snell would be inaugurated later today, but that depends on whether the senate gets organized. There was some talk that the senate would accept a compromise, but this was mostly talk.

Wheeler Nominates  
Sen. Charles H. Zurcher, representing Union and Willows counties, placed Steiwer's name in nomination, terming him "a man of wide business experience, far (Continued on Page Two)

## Summers Students Moved to Altamont Schools Monday

Summers school is closed today, and its 135 pupils were removed to Altamont elementary and junior high schools without a hitch according to county school officials.

Transfer of Summers students is the first step in converting the unit to the War Training Service for the duration, making it into a ground school, barracks, and dining hall for the civilian pilot training courses.

At Altamont school work was started on the old shop building which will be made into a cafeteria to accommodate all of the students.

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