

# CANADA REVEALS RED SPY PLOT

In The Day's News

## British Loan Bill Signed By Truman

By FRANK JENKINS  
PRESIDENT TRUMAN this morning signs the agreement under which we (meaning by that the taxpayers of the United States) are to lend Britain \$3 billion dollars, to be repaid by the year 2001.

WASHINGTON, July 15 (AP)—President Truman today signed the \$3,750,000,000 British loan agreement, terming it a major step to carry out a program "for reviewing and expanding international trade."

THE President, in a statement issued immediately after signing the agreement, says the loan serves the immediate as well as the long-time interests of the United States "by helping to restore world trade."

The loan, Mr. Truman said in a statement, serves the immediate as well as long-time interests of the United States, "by helping to restore world trade."

THOSE are carefully chosen words that in themselves mean little to most of us.

"It goes far to remove the danger of rival and antagonistic economic blocs," the president continued.

What he means is that the loan will enable Britain to get back on her feet so that she can again do business with us in a big way.

At the same time, he added, it enables Great Britain to "co-operate in creating a pattern of mutually beneficial economic relations among the nations of the world."

HIS statement suggests clearly that with the world dividing up into two antagonistic systems—communism and free enterprise—we all are going to NEED the trade of the free enterprise part of the world, of which, next after us, Britain is the leader.

Not Against Others  
He emphasized that the agreement between the two countries is not directed "against any other country," adding:

He EMPHASIZES that the loan agreement between us and the British "is not directed against ANY OTHER COUNTRY," and adds: "The system of trade we seek is open on the same fair terms to all the United Nations."

"The system of trade we seek is open on the same fair terms to all the United Nations."

Little reading between the lines is required to understand that he is referring to Russia—the leader of the communistic system. What he means is that if Russia is willing to do business with us IN OUR WAY there is nothing in the British loan agreement to hinder such relations.

Mr. Truman signed the measure at a ceremony attended by a large group of notables, including Lord Inverchapel, the British ambassador, Secretary of State Byrnes, Chief Justice Vinson, Treasury Secretary Snyder and members of both political parties from Capitol Hill.

THE point is that Russia DOESN'T do business in our way. All business with Russia must be done with the RUSSIAN STATE, instead of with individuals, as is the free enterprise way.

Section gangs, car men and maintenance crews were brought to the tunnel from Klamath, Dorris and Mt. Hebron. A 50-man tunnel gang was brought over from the Siskiyou line below Ashland and one crane came from here and another from Dunsmuir.

THIS thought, of course, was uppermost in the minds of the members of congress when they voted. With a campaign coming up, they would much rather have voted AGAINST the British loan, which is not popular among the general run of American taxpayers.

The mishap threw out of joint all the railroad's schedules through here, and trains were late last night and today because of the delay in getting equipment back to Oakland to begin runs. The passenger trains should be back on schedule by tonight, SP officials say.

Only the logic of the situation—that is, the obvious necessity to strengthen that part of the world that does business OUR way—influenced the senate and the house to approve the loan, which isn't a good vote-getter in a campaign year.

As many as 150 workers at a time were busy from shortly after the accident until the tunnel was cleared, on the job 12 hours and off 12 hours.

THE British loan is unpopular for the simple reason that the British failed to pay their World War I debt. Unfortunately, the reason why they failed to pay is not so simple. It involves international economics, which is a complicated subject.

Workers Mobilized  
The Sprague river project is only a small part of a planned survey to be made of the Klamath basin from the mountains to the sea. The aim of the investigation is to inventory all land and water resources. This will give an overall picture of water resources and point the way to further development so that complete utilization of water

What is back of the present loan agreement is the purpose to enable the British to TRADE with us. By trading with us, they can pay their debt.

Included in the 15 cars trapped in the cave-in were the two cars loaded with pontoons which caused the accident, two of petroleum products, four of government medical equipment, one of Gerber's baby foods and canned goods, one of automobile tires and two of general freight.

IT is really too bad that subjects such as this are as dull as dishwater to the average citizen.

The sugar, coffee and medical equipment was most heavily damaged, but all the cars were badly battered. Contents of several of the cars had to be reloaded onto other cars here for further movement.

That is the nub of this present situation.

Members of the jury hearing the case are William Metter, Charles Read, Mike Zupan, Leo H. Hale, A. C. Edsall, Pat Quintan, John B. Lemire, Ivan Ottman, Estin Balsiger, Floyd B. Patty, Hugh D. O'Connor and M. K. Lucas.

PERHAPS we can understand that in the present situation in the world we HAVE to stand back of the nations that do business in OUR way. Either that or we shall have to do business Russia's way. When you do business on the other fellow's terms, you are at a distinct disadvantage.

In the defense's opening statement, J. C. O'Neill said that he believed the evidence would not show that Simmers was killed "voluntarily and voluntarily" as alleged in the indictment. He indicated that Todd's defense would be that the shot was fired accidentally.

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The boy's father said a group had gone into the field near the Meeker ranch and was target shooting and hunting jackrabbits when one of the men aimed his rifle at a rabbit, the bullet glancing from a rock hitting Arthur, who was standing nearby. The bullet entered the left arm at the elbow passing completely through the flesh. It is thought the upper arm bone is damaged.

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Rules of the contest specify that the posse must be mounted on horse, donkey or any other four-legged animal that can carry a saddle and rider. Entrants must receive an official entry blank at the Esquire or Tower and must wear an official arm band which may also be obtained at the theatres.

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Applications may be made at the theatres in person or by telephone from 9 a. m. to 10 p. m. daily, or by wire or letter. Riding clubs, hunt groups, posse organizations and individual riders may enter the hunt. "The Man from Canyon Passage" will be a well known Klamath personality. His name will be announced Tuesday.

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Foremost stipulation in rules of the manhunt is an order against roughness in any form. The only act necessary to make the arrest is to touch the fugitive and state: "You are the Man from Canyon Passage."

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# The Klamath Falls News

KLAMATH FALLS, OREGON, MONDAY, JULY 15, 1946 (Telephone 8111) Number 10871

WEATHER NEWS  
July 15, 1946  
Max. (July 14) 77 Min. 49  
Precipitation last 24 hours 0.00  
Normal year to date 12.29  
Normal 12.08 Last year 13.25  
Forecast: Clear tonight and Tuesday.

## Top Secret Information Passed Out

OTTAWA, July 15 (AP)—Soviet espionage operators in Canada sought and obtained top secret political information relating to policies of the United States and British governments as well as the Canadian, the special royal commission investigating Moscow-directed spy activities reported today.

The commission reported also that the Russian government seems to have operated not one but "several parallel under-cover systems" in Canada and might still be doing so.

The commission repeated earlier charges that the Soviet network had spread into the United States and Great Britain, and added that it also operated on the continent of Europe.

In a final report on four months' work, running to 692 pages, the commission added several sensational charges to its earlier disclosures which already have sent some Canadian government employees and a member of parliament to prison for conspiracy and violations of the official secrets act.

Presented to Commons  
The 250,000-word document, presented in the house of commons by Prime Minister W. L. Mackenzie King, added nine new names to the 14 previously named, but said that without further documents "we cannot identify any non-Russian members" of rings other than that around which the five months probe has revolved.

## Churchill Asks Big UN Forces

LUXEMBOURG, July 15 (AP)—Winston Churchill strongly advocated today unlimited armed forces for the United Nations against all aggressors.

Addressing the Luxembourg chamber of deputies, Churchill urged a collective force exerting its action from a world center so that aggression would "fall powerless."

"I hope Germany will resume her place in the circle of Europe in the form of separate states," the former British prime minister said, "so that not one of them will be strong enough to menace the safety of peace."

After lunch Churchill paid a tribute to all United States soldiers who fell in the Battle of the Bulge by placing a huge wreath of red-roses and white gladioli on the grave of Gen. George S. Patton Jr.

The wartime commander of the U. S. third army, who died of injuries suffered in a traffic accident after the victory, is buried in Hamm cemetery near Luxembourg, where 8500 white crosses mark the resting places of American soldiers who fell defending this country.

Baseball Scores  
NATIONAL  
New York 1 9 2  
Chicago 3 7 0  
Koslo, Trinkle (7) and Cooper; Wyse and McCullough.  
Philadelphia 2 7 0  
Cincinnati 4 8 1  
Stancu, Mulcahy (7) and Homsley; Hetki and Mueller.

## Chinese Band Abducts Marines

### Tunnel Open Again After Train Wreck

The Dorris Southern Pacific tunnel was cleared and okayed for passage at 4:35 a. m. Sunday and today freight and passenger trains are gradually catching up with their normal schedules through Klamath Falls.

All of the 15 cars which were caught in the tunnel in Friday morning's cave-in and derailment were gotten out several hours before the tunnel was declared safe, but the passage was checked closely before any traffic was allowed to go through.

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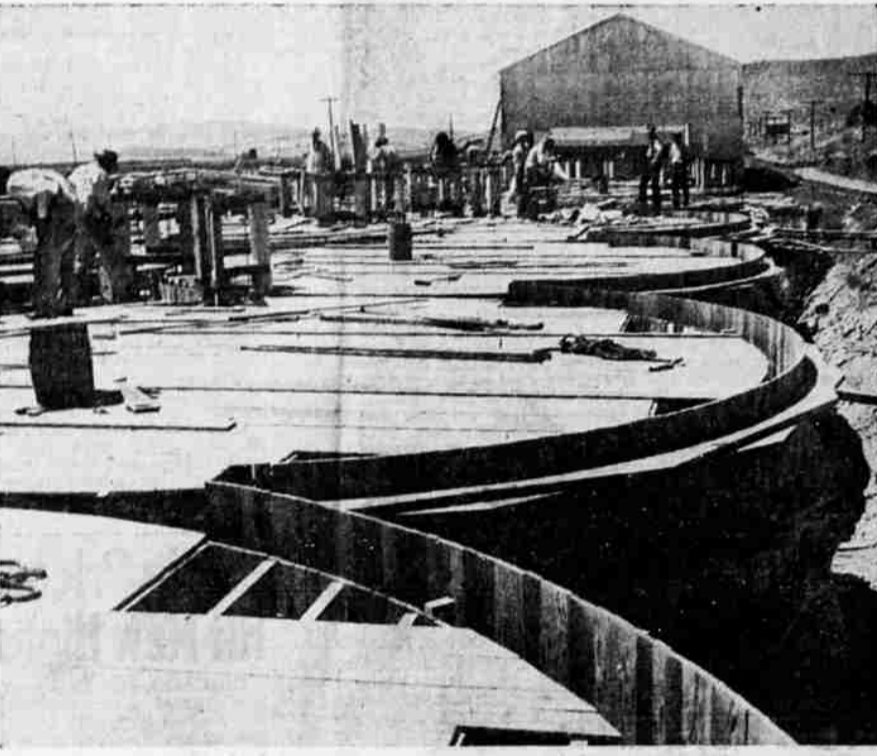
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### Workmen Swarm Over Giant Grain Bins



Work was progressing rapidly on the \$400,000 grain elevator job under construction at Tulena Farms near Worden and several of the huge 14 circular grain tanks or bins are shown in this picture. The bins have a diameter of 23 feet 1 inch, and work of pouring the concrete foundations is now complete. At least 100 workmen will be on the job by tomorrow according to the contracting firm of Henry George and Sons, Spokane, Wash., and the entire job should be done by harvest time. Work on the tanks will start Tuesday, demanding a larger crew than has been employed the past several weeks.

## Survey Of Sprague River Water Resources Underway

In an effort to determine the feasibility of regulating the flood runoff of Sprague river, a reservoir topographical survey of that area is now being made by the U. S. bureau of reclamation. Although field work has been in progress since April, field parties were not transferred to the district until July 1.

An inventory of water resources will show to what extent the winter runoff of Sprague river can be conserved by storage for summer use.

The Sprague river project is only a small part of a planned survey to be made of the Klamath basin from the mountains to the sea. The aim of the investigation is to inventory all land and water resources. This will give an overall picture of water resources and point the way to further development so that complete utilization of water

for agriculture, recreation and industry will be possible.

Heading the entire Klamath survey is C. W. Burningham of Redding, Calif. Before establishing headquarters in the publication office at the Klamath Falls airport, he worked on the Redding USBR project to divert the Trinity river to the Sacramento basin. As the Trinity is a tributary of the Klamath, the study will be completed as a part of the new Klamath survey.

In charge of office work at survey headquarters is C. D. Lawrence, who has recently come to Klamath Falls from the Grand Coulee dam project in Washington. He has been with the bureau of reclamation since 1937 and is a graduate of Utah State college. Lawrence will make his home in Klamath Falls.

Hugh P. Crawford is in charge of the field survey and will head field operations including reservoir and dam site work, exploration and canal and land area locations. A graduate of Washington State college at Pullman, Crawford has worked for the bureau in Washington, Oregon and California since 1937.

Clerk and stenographer for the survey office is Madelyn B. Menn, who has been transferred from the bureau office in Denver, Colo.

Approximately 25 employees, including the exploration forces, are coming to Klamath Falls to work on the survey. Already four of the staff members have purchased homes in Klamath Falls and are bringing their families here.

Standing on the ellipse, a park just south of the White House, the president congratulated about 500 nisei soldiers—Japanese of American extraction—for victory both over the enemy and "prejudice."

It was all a dream—except the leap. Cason took that through the window of his bedroom and went to a hospital with cuts and bruises on various parts of his anatomy.

## Weir Elected By Antelopes

Bob Weir, Lakeview, was named Chief Whitetail at the 11th annual meeting of the Order of Antelope at Hart Mountain last weekend. A crowd of some 300 members and initiates attended the first post-war meeting of the group, coming from all over the west to camp on the slopes of Hart mountain.

Members of the Order of Antelope gathered at their designated waterholes on Friday to start the trip. Some stayed in Lakeview on Friday night, while others camped at various spots along the road to camp. Early Saturday morning the crowd started pouring into the main camp for the big evening bonfire.

Arrangements for the trip were made by Art Fish of Lakeview and Burt Snyder, also of Lakeview, handled the initiation of new members. Some 75 men took the pledge and were named to the order of Mixmasters, the newest degree for those members celebrating their first antelope trip.

Other officers named at the bonfire were Francis Lambert of Portland, King of the Desert; Percy Looney, Corvallis, Grand Proselyter; Tod Powell, San Francisco, Keeper of the Wards.

Pravda Writer Says 'Velvet Curtain' Masks British In Pacific and Levant

MOSCOW, July 15 (AP)—The communist organ Pravda declared today in an article by Boris Izakoff that while British circles have been talking about a Russian "iron curtain" in eastern Europe Britain has hung up a "velvet curtain" in the Pacific and middle east.

The article, which invited Pravda's readers to lift the "velvet curtain" and look behind it stated:

"Curious details are outlined from time to time behind the folds of the velvet curtain, which divides Indonesia from the outside world." It added that in Indonesia a year after the war there is "occurring war activity on a big scale of which we read daily in the newspapers" and that more than five months after Foreign Secretary Ernest Bevin's speech before the United Nations security council "war in Indonesia is increasing day after day."

Behind this same "velvet curtain," the article continued, a British government mission went to India with a plan of treating all possible questions "except the most important—the evacuation of the English army from India."

Turning to Palestine the Pravda writer stated: "In reality there is happening in Palestine something quite close to war operations. All that is there be-

## Manchurian Communists Renew Fight

NANKING, July 15 (AP)—Fighting flared in Manchuria and North China again today as the nation's sporadic peace negotiations were stifled by summer heat.

Meanwhile, American Marine corps headquarters in Peiping reported that seven marines had been captured by a band of 80 armed Chinese north of Chinwangtao and held prisoner since Saturday. The band was not identified.

Associated Press correspondent Tom Masterson also reported from Peiping that communist troops had struck at a railroad station south of Tientsin in Hopei province, and launched new attacks in the vicinity of Tsingtao and Tainan, at the base of the Shangtung peninsula. There are American marine bases at Tientsin and Tsingtao.

The reports were carried in the independent Peiping Press, which last week reported 20,000 Red troops had opened attacks on nationalist outer defenses at Tientsin.

Marines Search Countryside  
Strong detachments of American marines were scouring the countryside north of Chinwangtao searching for the missing Americans, whose jeep was recovered in the village of Hsiang-tung where they had gone to purchase ice for their detachment, which was guarding a nearby bridge on the Peiping-Mukden railroad.

Generalissimo Chiang Kai-shek deserted the heat of Nanking and direct peace negotiations for the mountain air of Kuling, flying to his summer capital with Madame Chiang and their elder son, Chiang Ching-kuo.

## Airline Plans 4 Daily Trips

Enthusiasm over air travel with the inauguration of United Air Lines' run into Klamath Falls on August 1, has resulted in the installation of four daily trips instead of two as originally slated, it was announced Monday by W. T. McIntyre, station manager.

Planes southbound will arrive here at 10:06 a. m.; northbound at 10:19 a. m.; southbound, 2:25 p. m.; northbound, 8:04 p. m., McIntyre said in announcing the new schedule.

McIntyre said the demand for air travel both into and out of Klamath Falls, made it necessary for the company to arrange for four daily planes, instead of two. The Mainliner 180's will make the runs as originally announced.

Personnel manning the Klamath Falls office of United Air Lines was also announced today. (Continued on Page 2, Col. 2)

## Jap Soldier Unfolds Tale Of Balloon Invasion Plan

TOKYO, July 15 (AP)—A Japanese repatriate from Manchuria asserted today that at the end of the war Japan was preparing to invade the United States from Manchuria with balloon brigades ferried across the Pacific in man-carrying free balloons.

Lance Cpl. Isamu Takagi, who said he was captured by the Russian army and escaped, told the story to Kyodo News agency, adding that the man-carrying balloons, similar to the explosive carriers which were launched in great numbers, were perfected too late for use.

## Pioneer Film Due Saturday

Pioneer thrills of early Oregon will have a colorful revival next Saturday, July 20, in Klamath Falls when the drumming of horse's hooves warns the "Man from Canyon Passage" to enter the scene.

Rules of the contest specify that the posse must be mounted on horse, donkey or any other four-legged animal that can carry a saddle and rider. Entrants must receive an official entry blank at the Esquire or Tower and must wear an official arm band which may also be obtained at the theatres.

## President Honors Nisei Army Unit

WASHINGTON, July 15 (AP)—President Truman stood in the rain today to pin the presidential distinguished unit citation banner to the colors of the 442nd regimental combat team of Japanese-Americans.

Standing on the ellipse, a park just south of the White House, the president congratulated about 500 nisei soldiers—Japanese of American extraction—for victory both over the enemy and "prejudice."

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