

BRITISH CLAIM U.S. FREIGHTER

President Hopes To Even Budget, Sees No Tax Cut

WASHINGTON, Aug. 5 (AP)—President Truman is still hopeful he can balance the federal budget for this fiscal year despite a big jump in unanticipated outlays. But he disagrees with some republicans that taxes can be cut again after next January.

In a new budget estimate placing both income and outgo well above January predictions but trimming earlier deficit forecasts from \$4,500,000,000 to \$1,900,000,000 for the fiscal year ending June 30, 1947, the president said:

"In view of action the congress has taken on price controls, I must repeat—with added emphasis—my recommendation of last January that no tax reduction be made until the inflationary situation has passed."

At another point he said: "Our tax policy should be designed not only to check inflation, but to prevent any particular group from profiting by it."

GOP Promises Slash
Rep. Knutson (Minn.), ranking republican on the house ways and means committee, declared last month if his party wins control of the house in the November elections it would cut taxes by 20 per cent. Knutson would become chairman of that tax-reviving committee if the republicans organize the house.

In his revised budget made public Saturday night, Mr. Truman estimated expenditures this fiscal year at \$41,500,000,000, a net increase of \$500,000,000 over the January estimate, and receipts at \$39,600,000,000, an increase of \$8,100,000,000 compared with January.

With the anticipated deficit less than half what his financial experts figured six months ago, the president said he was working not only toward a balanced budget, but a "substantial budget surplus" in the 1947-1948 fiscal year.

The increase in estimated receipts was due primarily to a jump of \$500,000,000 in individual income tax receipts which in turn reflect expectations of a higher national income. Budget officials said the revised estimates are based on an anticipated national income of \$165,000,000,000 instead of the \$140,000,000,000 looked for six months ago.

IN Nanking, a nationalist (Chiang Kai-shek) newspaper says: "The hottest rumor here is that President Truman has instructed General Marshall to prepare plans for withdrawal of U. S. forces from China" to avoid another incident like the ambush of last week.

In Independence, Missouri, (where Truman is taking a few days off) his No. 1 secretary (Ross) says he knows of no such order. Note that he doesn't say there HAS BEEN no such order.

It's a safe guess that what we do in China will depend largely on what Russia does.

REVISED budget estimates in Washington bring the probable national deficit for the present fiscal year down to a shade less than two billion dollars. (We're going to SPEND MORE this year, but we're also going to TAKE IN more.)

President Truman says that even if we do cut down the deficit, we must not cut down taxes—yet. He's probably right. As long as we're on the deficit side, we'd better keep taxes high.

Somehow or other, we've got to reduce our debt, instead of increasing it constantly.

REPUBLICAN leaders are beginning to promise that if they win control of congress at the election this fall they'll cut taxes by at least 20 per cent.

To make their proposition really interesting to intelligent people, they should add: "We'll also CUT SPENDING by at least 30 per cent."

That would make sense.

The Herald and News

KLAMATH FALLS, OREGON, MONDAY, AUGUST 5, 1946 (Telephone 8111) Number 10889

WEATHER NEWS
August 5, 1946
Max. (Avg. 5) AT Min. 44
Precipitation last 24 hours .00
Stream year to date 14.42
Normal 17.28 Last year 13.28
Forecast: Clear today and Tuesday.

Row Breaks As Cripple Nears Port

LONDON, Aug. 5 (AP)—The derelict American freighter American Farmer limped toward England today under her own power and in escort of a U. S. destroyer, with the British loudly claiming her as perhaps a \$4,500,000 salvage prize.

A maritime legal battle was shing up in the din of British newspaper headlines which complained American shops had taken over the collision battered freighter after a midjet British vessel had her in tow.

The 8358 ton American Farmer and the freighter William J. Riddle collided 700 miles west of Lanes End Wednesday. The American Farmer is operated by the United States Line. The William J. Riddle is operated by the Moore-McCormack Lines and belongs to war shipping administration.

Destroyer Arrives
A passing ship took off the crew of 50 and six passengers and the freighter Elizabeth for the British ministry of transport, asked the British government to intervene, claiming, the Farmer as a prize. An admiralty spokesman said he received a report and E. J. K. Goldsmith, director for Hudson, said he had conferred with treasury lawyers, adding:

"Messages from the Elizabeth suggested that the American Farmer might have been our prize. Lloyds have been informed because of this apparently unusual incident on board the American Farmer."

The U. S. navy said its only interest was in getting the crippled ship to port. A spokesman said that for the pint sized Elizabeth to tow the Farmer to port would have been "like an ant towing a grasshopper." The Elizabeth has a three-cylinder steam engine and was bought from Nova Scotia with a cargo of mine timber.

Jewish Agency Rejects Split
LONDON, Aug. 5 (AP)—The Jewish agency executive rejected the British-American cabinet committee's proposal to divide Palestine into a federal state. British government sources said Prime Minister Attlee would ask his ministers to submit the Palestine problem to the United Nations if President Truman also rejects the semi-partition plan.

A Jewish agency executive communique issued in Paris said the group "regards the British proposals, based on the report of the committee of six and as announced by Mr. Morrison in the house of commons, as unacceptable as a basis for discussion."

Herbert Morrison, lord president of the council, announced last week that the British government had accepted as a basis for negotiations the cabinet committee's proposal to divide Palestine into four provinces—one Arab, one Jewish and two central government zones—as a basis for negotiation.

Morrison added, however, that the plan depended upon United States support—which has not yet been forthcoming. President Truman has summoned his cabinet delegates home for more detailed discussion of the plan, reports from Washington have said the plan was not well received there.

Arthur J. Voye Dies Suddenly

Arthur James Voye, 58, president of the Big Lakes Box company of Klamath Falls and former president of the Western Pine association, died at 3:30 a. m. Sunday.

The widely known lumberman passed away at Hillside hospital, to which he had been removed after sudden development of an acute heart ailment. His death removed a pioneer in Klamath lumber manufacturing, who had been a leading figure in the ponderosa industry of this region for more than 30 years.

A native of Boston, Mass., Mr. Voye came as a young man to the west coast. He was associated for a time with the C. A. Smith Lumber company of Contra Costa, Calif. In 1912 he moved to Klamath Falls, and was for a time associated with Col. R. A. Johnson in the Klamath Manufacturing company (now DiGiorgio Fruit Corp.) In 1916 Mr. Voye, with M. S. West, established the Big Lakes Box company on the firm's present site on Lake Ewauna.

Headed Association
Mr. Voye became president of the Western Pine association in 1943-44, and under his leadership the organization made important advances. He took an active part in solution of lumber production problems in the war period, and received special commendation from the war production board for this effort. He made a number of trips to Washington in behalf of the industry and the production effort.

He was a past commander of the Klamath commandery of Knights Templar and a member of the Shrine.

He was a long-time member of the Klamath County chamber of commerce, and served many years on lumber and industrial development committees of the chamber.

In 1914 Mr. Voye married Louise Lee, daughter of a pioneer Klamath county family, and a leader in musical and social life in the community.

Survivors include Mrs. Voye, their son, Joseph James Voye, Klamath Falls; granddaughter, Lee Voye; two brothers, Edward Voye of Boston, Mass., and George D. Voye of San Francisco.

Funeral services will be held at the Earl Whitlock Funeral home at 1:30 p. m. Tuesday.

Senators Mull Action On May

WASHINGTON, Aug. 5 (AP) Chairman Mead (D-N.Y.) said today the senate war investigating committee will decide Friday what further action it may take to bring Rep. Andrew J. May (D-Ky.) before it for testimony in its war profits inquiry.

Mead told a reporter that May's return to his home in Prestonsburg, Ky., does not change the committee's desire to hear from Warren Magee, May's attorney, on when he believes his client will be able to testify.

In Prestonsburg, Dr. John Archer, May's physician, described his patient as "in the worst physical condition in which I have ever seen him." Dr. Archer said May is suffering from "general collapse" which prevents any activity for "at least two weeks."

Mead delayed until tomorrow conferences with Attorney General Clark and Internal Revenue Commissioner Joseph D. Duman Jr., about income tax records of the Garsson munitions combine officials.

Mead has indicated the committee wants to look at May's income tax returns, since he was listed as Kentucky fiscal agent for the Cumberland Lumber Co., a combine affiliate.

case" on "the future course of the democratic party."

Whiskerless Defendants Pay Heavy Fines



Here's the kangaroo court in session on Klamath's courthouse lawn, with whiskerless defendants taking a steady beating from the jury and Judge Colt (U. S. Balentine.) When this picture was taken Saturday, Frank Jenkins, Herald and News publisher, was before the bar of justice. He paid an \$8 fine. Left to right: Dave Hoss, radio announcer (in striped shirt); Jack Henry, defense and prosecuting attorney combined; Sheriff Lloyd Low, one of the culprits; an unidentified bewhiskered bystander; Sam Neslin, another defendant; Frank Jenkins (seated), and U. S. Balentine, right.

ROSEBURG, Aug. 5 (AP)—An incendiary who set 14 fires in the rugged forest land approximately six miles southwest of Canyonville yesterday escaped during the night, Fred Southwick, supervising warden of the Douglas Forest Protective association said this morning.

The search was aided by use of state police bloodhound in the area where the firebug was spotted by aerial observers as he lighted the last of the 14 fires in the mile-long string at a shoulder of Silver butte.

More than 50 men were rushed into the area to serve as fire fighters and guards and a day long search was conducted for the culprit. The hound lost scent of the fugitive on dry ground.

As the firebug had approximately five miles to travel from the scene of his crime, it was believed he was still within the area when guards arrived, but due to his apparent familiarity with the region, it is feared he may have escaped during the night. Search, however is still being maintained.

Southwick reported that several of the fires had burned together and covered an area roughly estimated at 160 acres. Others of the "sets" were held to small size.

Marines Will Stay In China

SHANGHAI, Aug. 5 (AP)—American marines in north China are remaining there at their full current strength and "when we are attacked we are going to shoot back," Adm. Charles M. Cooke Jr., commander of the U. S. seventh fleet, told a news conference today as he discussed the July 29 ambushing of a marine convoy near Peiping.

He identified the attackers, who killed four marines, as Chinese communists. It was the first official identification of them.

Marines were sent to China to carry out the U. S. policy of repatriating Japanese and to assist in the restoration of stabilized, peaceful conditions, Admiral Cooke explained.

Repatriation of Japanese from China proper has been finished and the marines have nothing to do with Manchuria, where an estimated 2,000,000 Japanese remain to be repatriated.

The marine mission in China, Admiral Cooke continued, includes support of Sino-American executive (truce) headquarters, the main function of which is to bring peace to the country.

Paigeant Calendar

All of the east registration is complete with the exception of children's dance groups, chorus, band and specialty groups.

The children's dance group will rehearse Tuesday, 10 a. m., at Roosevelt.

The orchestra will rehearse Wednesday, 8 p. m., in the high school.

Kangaroo Court Penalizes 9 Smooth-Faced Citizens

With such excuses as, "even the dog wouldn't sleep with me," the first Centennial whiskerless kangaroo court was called into session Saturday afternoon in the shade of the Klamath county courthouse. Presiding in the outdoor court was the Hon. Judge Colt, better known to Klamath people as U. S. Balentine.

Appearing before the jury composed of 12 men from Klamath county, were the beardless Sam Neslin, Frank Jenkins, Ulys Dole Goodman, T. B. Berg, Don Fisher, Marvin Albee C. L. Terwilliger, Lloyd Low and Dick Rees.

After various and sundry reasons why they hadn't grown a crop of "vegetation," each was fined by the jury and given Centennial tickets to sell. The tickets are for the Centennial dance to be held August 19.

Upon sale of the tickets their fines will be remitted to them. This is the first in the series of courts to be held each Saturday until the Centennial, August 22, 23 and 24. Jack Henry of the Klamath Shoppers' Guide acted as defense attorney for the prisoners of the bar. The laughter which greeted each new excuse for the lack of chin whiskers soon drew a crowd which watched the proceedings from the lawn.

Adding to the spirit of the Centennial were a number of old fashioned dresses which had been donned by several of the women.

Russians Balk On Vote Rules

PARIS, Aug. 5 (AP)—Soviet Russia balked today at a British-American proposal to compromise the peace conference dispute over voting procedure.

Foreign Minister V. M. Molotov told the rules committee that the proposal was objectionable because it was "calculated to upset the decision of the council of foreign ministers and replace it with a new one."

The council had decided to make a two-thirds majority necessary for action in the peace conference. Small nations, backed by Australia, sought simple majority rule. The British then proposed to let the conference speak for itself, with two-thirds votes to be regarded as "a firm recommendation" and simple majorities to carry less weight with the foreign ministers council, which will have final veto power over peace conference actions.

The United States, through Secretary of State Byrnes, joined China, Canada and Norway today in supporting the British compromise.

Molotov's rejection of the plan followed a similar stand by White Russia.

Firebug Trailed By Bloodhound

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More than 50 men were rushed into the area to serve as fire fighters and guards and a day long search was conducted for the culprit. The hound lost scent of the fugitive on dry ground.

As the firebug had approximately five miles to travel from the scene of his crime, it was believed he was still within the area when guards arrived, but due to his apparent familiarity with the region, it is feared he may have escaped during the night. Search, however is still being maintained.

Southwick reported that several of the fires had burned together and covered an area roughly estimated at 160 acres. Others of the "sets" were held to small size.

Burglars Hit 5 More Spots

Two more residences, two business houses and a hotel room were burglarized over the weekend, adding to the now-lengthy list of break-ins which have given the police department here a headache for the past several weeks.

The home of Mrs. Roy Stephenson, 830 N. 11th, was entered through a back door sometime yesterday afternoon or early last night and three expensive lockets were stolen.

Entry was made by cutting open the back screen door and lifting the latch. Drawers in a bedroom were pulled open and the contents scattered on the floor. The stolen articles include a small yellow gold locket, another gold locket slightly larger, and a lavalliere with ruby setting.

A similar entry was made at the home of Mrs. James Newnam, 1837 Division, Sunday afternoon or early evening, where two watches and possibly other articles of jewelry were taken, along with 40 or 50 12-gauge shotgun shells.

The same method of slitting the screen of the back door and

Land Filing Needs Listed

Character testimonials, substantial farm experience, and \$2000 in unencumbered assets will be minimum requirements of veterans who participate in the forthcoming drawing for 86 tracts of homesteads, it was shown today when an advance copy of the reclamation commissioner's order on the opening was received at the reclamation bureau office here.

Application blanks and duplicate copies of the order have not yet been received, however. These will be mailed out to all veterans who have already inquired, and reclamation officials said it will not be necessary for these men to ask again that blanks be provided them. Text of the order will be printed later in The Herald and News.

Only those veterans who have given no previous notice of their interests in the land need apply in writing for copies of the application form, the bureau said.

Applicants will be asked to provide three letters of testimonials as to their character, and will be asked to make a statement to the effect they intend to lead a bona fide farm life on the property.

Experience requirements call for two years farm experience after the age of 15 and within the last seven years of civilian life. A man may qualify who has lived and worked on a farm (Continued on Page 2, Column 6)

Siam Makes Bid For U. N. Entry

NEW YORK, Aug. 5 (AP)—Siam today applied for membership in the United Nations, becoming the eighth nation to seek entry since the world agency was set up with its 51 charter members.

The application, submitted by Minister of Foreign Affairs Dirck Jayanama, said "my government and my people are ready and determined to observe and fulfill the obligations arising from the charter of the United Nations."

Siam's move came as a membership committee was called together to act on the requests with the most controversial one—Albania—heading the agenda.

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Ex-GI Ballot Win Certified

ATHENS, Tenn., Aug. 5 (AP) The McMinn county election commission with Member George Woods attending under protection of guards furnished by the ex-GIs whose candidates swept members of his organization from office, today formally certified the service men's victory at the polls.

The veterans' candidate for sheriff, Knox Henry, polled 2,230 votes to 1244 for Paul Cantrell, who as leader of the local democratic organization was bitterly opposed by the bi-partisan ex-GI ticket. Henry succeeds Sheriff Pat Mansfield.

The official count for other GI candidates followed the same proportions.

Setting Rooster Or Crowing Hen?

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