

PICTURES!

Associated Press Telemats. NEA Telephoto and a live local newspaper and engraving staff provide News and Herald readers with a comprehensive photographic service.

THE KLAMATH NEWS

IN THE SHASTA-CASCADE WONDERLAND

WEATHER NEWS

Rain High 87; Low 41; Midnight 45 24 hours to 5 p. m. 13 Season to date 10.75 Normal precipitation 10.18 Last year to date 18.58

Vol. 18, No. 137—Price Five Cents

KLAMATH FALLS, OREGON, SATURDAY, MAY 3, 1941

(Every Morning Except Monday)

In The Day's News

By FRANK JENKINS

THE expected hot spot in Iraq has developed.

On the basis of today's dispatches (which are limited by censorship and muddled by propaganda) Iraq artillery is shelling the British air field at Habbaniyah, 60 miles west of Baghdad, the British troops landed at Basra have been surrounded by Iraq forces, the new (German-backed) Iraq premier who rode into power on some sort of upheaval a few days ago is beating the drums for a "holy war" and British women and children are being evacuated from Iraq.

(If you're really interested in all this, you'll have to get out your map and check on it as you read. Otherwise the dispatches will be meaningless gibberish to you. Your map, if it is a good one, will make the situation reasonably clear.)

YOU must also remember this: The Moslem Arabs of Iraq hate the Jews. The British, thanks to the situation in which they are involved in Palestine, are regarded by the Arabs as the PROTECTOR of the Jews.

That has made it duck soup for the Germans to pose as the friends of the Iraq Arabs and stir them up against the British.

YOUR map will tell you all about the oil fields of Iraq, which are related to the somewhat lesser oil fields of adjacent Iran, and will show you the historic invasion route into Egypt by way of these eastern Mediterranean lands.

Oil and Suez. These are glittering prizes. You may be sure that Hitler is planning to seize them.

Ancient hatreds, such as that of the Arabs for the Jews, are among the weapons he is seeking to use.

SO much for Iraq. Watch it. It is hot. It will get hotter. Great events are centering around these desert wastes which have been so prominent in the history of the world.

NOTE also that the Germans (one feels that the Italians are hardly worth mentioning) are driving harder at Tobruk every day. The dive bombers are appearing there in increasing numbers.

Tobruk is a British base of operations, supplied from the sea, that threatens the flank of the German advance into Egypt.

It will have to be taken before they can safely go on—unless the annoying British fleet can be shut out of the Mediterranean. In that connection, don't entirely forget Gibraltar.

THERE are some dispatches from home today. One, from Washington, relates that defense expenditures are expected to reach the rate of 24 billions a year by the beginning of the government's fiscal year on July 1.

That is five billions above Treasury Secretary Morgenthau's recent estimate of 19 billions. Under his theory of raising two-thirds by taxation it will mean adding SEVEN BILLIONS instead of three and a half billions to the nine billions to be raised by existing taxes.

Every time taxes are mentioned in the coming years, the total will be HIGHER. It will have to be.

MEANWHILE the Chamber of Commerce of the United States, meeting in Washington, suggests that the non-military expenditures of government be DECREASED by two billion dollars.

That sounds reasonable.

WOULD "DISTURB"

BERLIN, May 2 (AP)—The American flag in the European war zone would "directly disturb the interests of greater Germany" in the opinion of semi-official Nazi sources.

Looking Backward

By The Associated Press

May 2, 1940—British troops evacuate all Norway south of Trondheim.

May 2, 1916—Five airships attack northeast coast of England, southeast coast of Scotland.

GERMANS SAY LAST BRITONS LEAVE GREECE

Tobruk Still Holding Out Against Axis at Garrison in Africa

BERLIN, May 2 (UP)—The last British soldier has been driven from Greece, the German high command said today, after a disastrous campaign that was claimed to have cost Britain almost 1,000,000 gross tons of shipping and two-thirds of her expeditionary force.

Driven relentlessly to oust the British from the Mediterranean, German and Italian armed forces were reported to be pounding at the Libyan port of Tobruk, where the British garrison has been encircled for 23 days.

CAIRO, Egypt, May 2 (AP)—A British counter-attack in one sector of Tobruk's outer defenses cost axis attackers 11 tanks and many casualties and fighting still is in progress in other sectors around that Libyan port, the middle east command reported today.

"Throughout yesterday the enemy continued to attack the outer defenses of Tobruk," the communique said, indicating the tank charge took place a day ago.

Patrol action also continued in the area of Salum, over the frontier in Egypt, about 90 miles from Tobruk, it said.

BERLIN, May 2 (AP)—Germany wrote an official note to the Greek campaign today, claiming that in this latest Nazi victory the British lost two-thirds of the imperial troops sent to Greece.

(By Britain's own figure on the strength of the expeditionary force, two-thirds would be 46,000 men.)

The high command, announcing completion of the occupation of Greece's Peloponnese (Continued on Page Two)

Senate Group Opposes Axis Ship Turnover

WASHINGTON, May 2 (AP)—An unexpectedly strong move developed in the senate today for curbing the proposed authority of the president to turn over seized axis shipping to Great Britain.

Projected as an integral part of legislation which would permit the president to requisition and pay for about 80 foreign flag vessels lying idle in United States ports, this provision was said to have aroused a storm of protest within the senate commerce committee.

Some committee members asserted that the transfer of one belligerent's ships to another belligerent could only be regarded as "an act of war."

Chairman Emory S. Land of the maritime commission disagreed with this view, although Senators Clark (D-Mo.), Johnson (R-Calif.) and others took the stand that such a transfer would be a warlike gesture.

'Business As Usual' To Be Out Until Emergency Ends

By ERNEST BARCELLA United Press Correspondent WASHINGTON, May 2 (UP)—A government spokesman told the nation's food and clothing producers tonight "business as usual is out" as long as "a life-or-death" emergency exists.

The warning came from Donald M. Nelson, OPM purchasing director, who spoke before a defense conference on consumer goods at which the nation's principal producers of food, clothing and household furnishings were represented.

"Business as usual is out," Nelson said. "You are not going to see any more of it until this emergency is over. The most terrible mistake any of us could possibly make is to fail to understand that fact."

Earlier, Price Control Administrator Leon Henderson sounded a warning that "fictitious" price increases would not be tolerated in the present emergency. The business men also heard that the government has collected evidence that certain manufac-

FDR Is No. 1 Customer for New Defense Savings Bond



The nation's first customer for the new issue of national defense savings bonds was the nation's No. 1 executive, President Franklin D. Roosevelt. Here he hands his check to Secretary of the Treasury Henry Morgenthau as the bonds were placed on sale in Washington.

STRIKE ENDED AT N. J. PLANT

Mediators Still Try To Avert Threatened GM Plant Shutdown

By The Associated Press Settlement of a strike involving 1600 workers at the Elizabeth, N. J., plant of the Phelps-Dodge Copper Products corporation opened the way Friday for resumption of work on \$30,000,000 in defense contracts.

The big copper firm's CIO workers voted last night to end a 20-day strike and go back to work while negotiations continue for a new wage contract.

The defense mediation board at Washington today continued its efforts to avert a threatened strike in 61 General Motors corporation plants employing 160,000, many of whom are working on \$700,000,000 in defense orders.

The CIO United Automobile Workers seek a 10-cent hourly wage rise, but the management, offering two cents additional for hourly workers and more for some skilled craftsmen, contended no increase was justifiable. (Continued on Page Two)

Officers To Direct City Traffic Today

Chief of Police Frank Hamm announced that traffic officers will be stationed on Main street at Sixth, Seventh, Eighth and Ninth streets between the hours of 4 p. m. and 7 p. m. to alleviate the Saturday afternoon traffic problem. The chief requests the motoring public not to make left-hand turns in the business district. Pedestrians are asked to refrain from crossing Main street until receiving a given signal from officers on duty at the various intersections.

Officers To Direct City Traffic Today

According to Robert Davies, NLRB field representative, the CIO will probably be certified by the board as the Chiloquin workers' sole bargaining agent in the near future.

Legion Urges 'Remedies' for U. S. Defense

By WILLIAM BRINK JR. United Press Correspondent INDIANAPOLIS, Ind., May 2 (UP)—The American Legion today urged use of the United States navy, if necessary, to insure delivery of war-aid to Britain.

The Legion's national executive committee, in a resolution to President Roosevelt, recommended other "remedies" for defense problems:

- 1. That the president tell the country "the full facts" about the present emergency.
2. That "the cause of national unity in national defense" will best be served by the resignation of Secretary of Labor Francis Perkins.
3. That legislation be enacted to prohibit strikes and lockouts in national defense industries during the present emergency.
4. That organized labor and the citizens of the United States in general voluntarily forego strikes which impede defense of the nation and remove voluntarily and by legislation "subversive" (Continued on Page Two)

CIO Wins Poll At Chiloquin Lumber Company

The International Woodworkers of America (CIO) last night was declared the winner of a National Labor Relations board consent election at the conclusion of two days of balloting by employees of the Chiloquin Lumber company at Chiloquin.

Out of 180 eligible workers, 143 voted for the CIO union as their bargaining agent against 24 who voted against the organization. A total of 168 votes were cast by both mill and woods employees of which one ballot was declared void. Twelve did not vote.

According to Robert Davies, NLRB field representative, the CIO will probably be certified by the board as the Chiloquin workers' sole bargaining agent in the near future.

TOOL SPEEDUP APPEAL MADE

Stops Only for Overhaul Asked During Rush for Munitions

WASHINGTON, May 2 (AP)—President Roosevelt called today for defense industry to work its machine tools "24 hours a day and seven days a week," relieving them only for overhaul and repair.

He appealed, through the office of production management for an expanded and expedited supply of new tools and said he believed existing ones could be used hours longer without boosting workers' individual hours.

Mr. Roosevelt made the plea to meet what he called the "ever increasing demands for munitions, planes and ships, caused by the critical situation which confronts our nation."

In another defense discussion, at his press conference, the president was asked whether plans were being considered to speed up lane production by increased use of automobile plants and replied that efforts (Continued on Page Two)

Redmond Youth In Auto Mishap

Seichi Konno, 15, reported to the sheriff's office Friday that a car he was driving skidded on wet pavement at an S turn on highway 97 and left the road and landed in the bushes. Konno was on his way from Redmond to Klamath Falls to the annual 20-30 club track meet. Young Konno said he had an instruction permit to drive and that a licensed driver was in the car beside him. No one was injured. C. W. Brown, 1549 Ivory street, reported a truck driven by Charles O. Hancuff overtook him and crashed into the rear of his truck at Barkley springs on highway 97. Brown was injured slightly.

Iraq Troops Clash With British Army

TAXATION FOR 'WAR EFFORT' ASKED BY F. R.

Basis To Eliminate Inequalities Urged For Minimum Needs

CHARLOTTESVILLE, Va., May 2 (UP)—President Roosevelt tonight called for taxation to finance America's "war effort" on a basis that will eliminate inequalities which have excluded "substantial and significant elements of income."

In a letter to Chairman Robert L. Doughton of the house ways and means committee Mr. Roosevelt warned America that the \$3,600,000,000 which congress now is seeking to raise represents only the "minimum of our revenue requirements."

May Tax Deeper His letter left no doubt that the "exigencies" of America's "war effort"—an all-out struggle to aid democracies in defeating the axis powers—might require even further taxation before the ultimate goal is achieved.

White House officials refused to make more explicit Mr. Roosevelt's orders to tax deeply into income hitherto relatively secure from heavy taxes.

"The income tax cannot fix the tax liability of individuals and corporations with equity as long as the tax base is defined to exclude substantial and significant elements of income," Mr. Roosevelt wrote Doughton. The letter to Doughton was (Continued on Page Two)

Delegates To JCC Conclave Arrive Here

Their spirits undampened by the wet turn of the weather, Klamath's junior chamber of commerce men Friday afternoon met the first delegates to the state junior chamber convention. Heavy delegation arrivals were reported from 6 p. m. on, and the convention program schedule started with a stag party at the Willard hotel last night. Over 100 delegates, including local chamber members, had registered by midnight. Heading the outside groups were 15 members of the Portland organization.

The Klamath men were looking forward to the arrival Saturday morning of Mark Matthews of New York, president of the national junior chamber. He will speak at a breakfast at 10:30 a. m. Sunday at the Willard hotel, to which the public is invited.

Junior chamber men were expected to bring their wives to the convention, and special entertainment was slated at Reames Golf and Country club for them Saturday morning. Either bridge or golf was to be offered as a diversion at that time.

U. S. Considers Freezing All Foreign Funds

WASHINGTON, May 2 (UP)—The United States is considering freezing all foreign funds in this country to bring further economic pressure against the axis powers, Secretary of State Cordell Hull revealed today.

He said no decision had been reached and indicated none was imminent. Secretary of the Treasury Henry Morgenthau Jr. persistently has advocated the freezing of axis credits and urged such a course upon President Roosevelt earlier this week. Hull has been equally persistent in objections.

Thus far the government has restricted freezing operations to the credits of countries conquered by Germany and Russia.

Hull compared the sequestering of foreign credits with potential tightening of restrictions on exports of oil and gasoline to Japan, and shipments of war materials elsewhere. At his press conference the president had referred to the state department inquiries about curtailment of shipments of oil to Japan.

Without indicating such a step (Continued on Page Two)

MURRAY ASKS TAX CHANGES

CIO Chief Proposes Lower Income Levy In Lowest Brackets

WASHINGTON, May 2 (AP)—Elimination of present federal income taxes on married couples making less than \$2500 and on single persons earning less than \$1000 was urged today by Philip Murray, CIO president, in advocating that new revenue be obtained from "high individual incomes, estates and growing corporation profits."

The proposal was in sharp contrast to recommendations made earlier in the day by the American farm bureau federation that present income tax exemptions of \$2000 for married couples be cut to \$1000 and for single persons from the present \$800 to \$500. The federation also suggested a flexible income tax system designed to offset potential inflationary effects of the defense spending program.

"Wage Cuts" Murray's statement was prepared for presentation by Ralph Hetzel, CIO research director, to the house ways and means committee which is considering proposals to raise \$3,600,000,000 additional federal revenue. Edward A. O'Neal, farm federation president, presented his organization's view to the committee, in person.

3-Point Plan Murray said that tax increases proposed by the treasury and the joint congressional committee on taxation would, if adopted, mean "wage cuts by taxation" for workers and therefore would result in "less food, less clothing (Continued on Page Two)

TINY COUNTRY ASKS GERMANS FOR WAR AID

Fight Centers Around Oil Fields, Air Base In Baghdad Vicinity

LONDON, May 2 (UP)—The pro-German government of Iraq tonight was reported to have appealed to Adolf Hitler to rush military aid to its tiny army battling British troops on a new warfront in the Near East.

Fighting continued tonight, it was stated officially, after a dawn bombardment by Iraq artillery of Britain's Habbaniyah air base, 65 miles west of Baghdad on the Tigris.

Iraq troops were said to have seized the vital Mosul oil fields, airbases and other strategic points. According to axis radio broadcasts, they have "surrounded" contingents of British imperial forces landed at Basra, 60 miles north of the Persian gulf.

Nazi Aid Feared Informed quarters, fearing a swift German "protective" attack as result of the pro-Nazi premier's appeal, said it would "not be surprising" if British forces seized the fabled city of Baghdad to forestall the Nazis and protect the Mosul oil fields.

Tiny but oil-rich Iraq is the goal of Germany's long dreamed-of "Berlin-to-Baghdad" march of conquest and there were rising British fears that Hitler might attempt a daring invasion by parachute troops.

Germany was reported to have hundreds of Junkers-52 transports, each capable of carrying 20 fully-equipped soldiers or their weight in artillery, and new models capable of landing midget tanks, all held in readiness for a possible thrust into the Near East.

At least 100 of these are said to be in Libya and others in Greece and the Balkans. They might make "crash" landings in Iraq, sacrificing the planes as was done in Norway and the low countries.

Long Odds Gamble It is about 1000 miles to Iraq from the Luftwaffe's Greek and Bulgarian bases but it was pointed out in London that the troop-carrying planes might be able to refuel in the Dodecanese islands.

It would be a long-odds gamble (Continued on Page Two)

AFL Wins NLRB Runoff Election At Kesterson's

AFL scored a victory over CIO in an NLRB runoff election at the Kesterson lumber company mill, results showed Friday night. Of 212 eligible to vote, 122 cast ballots in favor of AFL as bargaining agent and 77 voted for CIO. Twelve workers failed to vote, and one blank ballot was cast.

In a previous election held about a month ago, neither union received a majority, and the runoff poll was requested.

Joe Boyd, AFL organizer, announced late last night that an AFL meeting will be held at the Klamath Falls labor temple at 2 p. m. Saturday.

Diversion Program Buys Klamath Spuds

SALEM, Ore., May 2 (UP)—The state department of agriculture today reported that more than 380 carloads of Klamath basin potatoes have been purchased by the federal diversion program this spring.

The department estimated that 500 carloads of Oregon potatoes will have been purchased by the time the program is concluded.

News Index

Table with 2 columns: News Item, Page Number. Includes Church News, City Briefs, Comics and Story, Courthouse Records, Editorials, High School News, Information, Market, Financial, Midland Empire News, Pattern, Sports.

Queen and Court Reign Over 20-30 Track Meet



Queen Jerry Ann Denshie, senior at Klamath Union high school, ruled over the ninth annual 20-30 club track meet at Modoc field Friday night. Miss Denshie, at left, had as her court Virginia Howard, junior; Joanne Hamilton, sophomore, and Roberta Tucker, freshman. Not shown is Phyllis Emigh.