

SALEM ROSE FESTIVAL FLOAT WINS PRIZE-Tagged with a No. 13, the Salem Cherrians' float was not jinxed in Friday's Portland Rose Festival parade. Queen Paula Smith of Stayton and Wilette university, sitting sloft on her flower-decked throne holds the white and gold ribbon which declares the Salem entry third place winner among Oregon cities outside of Portland. She and her attendants, Virginia Case and Thyra Jean Currey, Salem, found the mountain of greens and flowers on which they rode about as comfortable as sharing one hotel room (the hotel and not the Cherrians was blamed for that), and they enjoyed the breakfast the Cherrians served to them there in some miraculous manner as the parade got underway. Hundreds of peonies and roses, set off with giant stalks of blue delphinium were used in the entry which was guarded by Cherrians along the Rose

Ku Klux Klan Blamed For Killing, Flogging HOD,000 TRECENTLY. The U FEMS ATLANTA, June 7-(AP)-A Georgia assistant attorney general reported today his undercover agents had linked an inner "strong did not obtain from the govern- the summary courts, and death

arm" group of the revived Ku Klux Klan with a killing and a flogging.

Dan Duke, who is conducting the state legal department's investigation of Klan activities by order of Gov. Ellis Arnall, said that be named by UMW President

The crack-up of holding company empires required under the public utilities act will result in bringing ownership of operating utilities in Oregon closer home. Standard Gas & Electric, the badding of the the standard badding of t holding company put together by the Byllesby interests, has asked the SEC for permission to sell its 140,614 shares of Mountain States Power Co. common stock at competitive bidding. Previously it had requested similar permission for sale of its common stock of Cali- demonstrations by several thoufornia-Oregon Power Co. Moun- sand royalists killed one soldier tain States has its main offices in and injured at least 10 persons the mid-Willamette valley. Cop- police clubbed down monarchists co's territory is in southern Ore- shouting "Long live the king!" and gon and northern California with

By Checky A. Sman

offices at Medford. While these stocks will be sold House of Savoy sympathizers, disin bulk to investment bankers, satisfied with the plebiscite reundoubtedly they will work back jecting the monarchy, broke out negro navy vetera to local ownership in large mea- after fighting late last night in Stabbed to Death sure. Both are well managed com- which one person was killed, clean financial set- eight injured and Catholic priests

Demonstrate in Southern Italy

NAPLES, June 7-(AP)-Violent

were "idiotic," the maritime strike."

Took Oath

He said every Klansman took an oath to uphold the law and to Albany and operates chiefly in in Naples today, while in Rome help prosecute any Klansman found violating the law. Duke said the crimes his secret "Down with the republic!"

lanta hotel.

agents attributed to the Kavalier club were the slaying of a negro The new outbursts in Naples by taxi driver and the flogging by a masked band of a 21-year-old negro navy veteran.

The taxi driver, Porter Flournoy

The navy veteran, Hugh John-

Workers in the YWCA building

Police Sergeant

pansions -- which we are told is

this housing situation and little

Goode called for a concerted



Lewis To Control New Fund

wage increase and a health and welfare fund, the combined conbeen on strike in the Pennsylvania hard coal fields for the past week, will return to work Monday, Thomas J. Kennedy, UMW secretary-treasurer, said in announcing the new contract at a news conference.

A spokesman for the operators estimated the increased overhead from the new contract would add approximately \$1 a ton to the retail price of anthracite - used

chiefly for home heating. The health and welfare fundto be financed by a five-cents a ton royalty on all hard coal mined-would amount to \$2,700,000 on the basis of last year's pro-

duction.

from hard coal operators in the lice. health and welfare fund which it ment. Under the agreement the sentences will be carried out imwill be administered by fund three trustees-two of whom will

members of the Kavalier Klub John L. Lewis and a third by the boasted openly of the two crimes. operators. Publication of the charges in Atlanta newspapers drew from \$34,440,000 Dr. Samuel Green, a physician who is Georgia grand dragon of the Klan, a statement that they

Offer Made for "Next they'll'be accusing us of starting the LaSalle hotel fire in Chicago," he said, "or I wouldn't **Power Firm** be surprised if they blame us for

> NEW YORK, June 7-(AP)-Thirteen public utility districts, co-Power & Light Co., an affiliate of months of organization work in

he two stat

NEW YORK, June 7-(AP)-John L. Lewis' AFL United Mine Work-ers today gained a new contract with anthracite operators provid-ing for an 18½ cents an hour for an 18½ cents an hour welfare fund, the combined con-cessions of which will cost the operators an estimated total of \$50,000,000 to \$50,000,000 a year. The 75,000 miners, who have

The Oregon Statesman

NINETY-SIXTH YEAR 10 PAGES The Oregon Statesman, Salem, Oregon, Saturday, June 8, 1946 Price 5c

Mrs.Daniel Fry Dies after Operator, Illness, Services Today CIO Meet-To Crush

Mrs. Daniel J. Fry, sr.

Belcrest Memorial park. Ray-

sons, and Dr. William Snell,

husband of Marylee Fry Snell,

Disorders

By L. S. Chakales

Greeks

ATHENS, June 7 -(AP)- The The agreement as announced by royalist government, opening a Kennedy closely parallels the con- drive to crush disorder in Greece, tract the UMW signed in Wash- today invoked a drastic emergington with the government for ency decree setting up summary 400,000 bituminous coal miners courts empowered to pass death sentences for using arms against The UMW won a concession authorities or interfering with po-

> There will be no recourse from mediately, the ministry of justice

declared. Suspends Rights The decree, which suspends

guarantees in the Greek constitution of either a trial within three months or freedmon, provides also for a minimum sentence of five years for strikers in public utilities. The death penalty can be pass-

ed also for "moral authors" of action against the state. **Given** Authority Six articles in the constitution relating to the courts were sus-pended, and police and the mili-

tary were given wide authority. The police were authorized to enter premises, homes or business operatives and REA projects of establishments at any hour witheastern Washington and Oregon offered \$34,440,000 today for the can be held in jail indefinitely electric properties of the Pacific without-bond and without trial. After the court passes sentence. the American Power & Light Co. no pardons, reprieves or proba-The offer was made formally by tions will be permitted. Military Charles Baker, Walla Walla, courts will try alleged violators

Wash, president of the Interstate in northern Greece while civilian Electric, Inc. It culminates several courts will prevail in the south.

Delicate Truce

NANKING, June 7 -(AP)- China

unity that died aborning last Jan-

Generalissimo Chiang Kai-

Shek's directive to his advancing

national troops to cease fire and

concurrence by the communists,

in the recent disordered weeks.

Mrs. Daniel J. Fry, sr., resi-dent of Salem for the past 70 years, died Friday morning at her South High street home where she had been bedfast the past two months.

Born Jan. 12, 1863, at Bloomington, Ill., she came to Salem in 1876 with her parents, Moses and Jane Harbord. Here in 1885 she was married to Daniel J. Fry, long prominent druggist who became president of the First National bank of Salem. In 1931 he died. The home they established at 606 S. High st. and its garden on "Frys' hill"

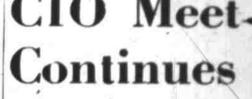
Survivors include two daughtres, Mrs. Raymond Walsh and Mrs. Hugh Shattuc, both of Salem; two sons, Daniel J. Fry, Salem, and Orris J. Fry, Portland; one sister, Mrs. Ida Knapp of Everett, Wash., and a brother, Rolla Harbord, Spokane, 10 grandchildren and three great grandchildren.

Funeral services are to be held at 3 p.m. today from the Clough-Barrick chapel, Dr. Seth Huntington, pastor of the First Congregational church, of which Mrs. Fry was a member, offi-

Red Radio Hits Milk Price Rise In Effect in Salem At U.S., Britain Milk was back on an even keel Imperialism'

to carry halfpennies to get the best buy in a quart of the stuff. Retailing for 141/2 cents since the LONDON, June 7-(AP)-The Moscow radio accused the United spring price rise, it went to 15 States and Britain today of using cents Saturday after the OPA had for nation-wide agreements, have "independence" to mask imperial- granted the second increase of the been at an impasse.

bearers.



No. 62

By Douglas B. Cornell WASHINGTON, June - 7-(P)-Dealings with both AFL and CIO West Coast Seamen's unions took favorable turns across the continent tonight but failed to erase threats of double - header shipping strikes on all coasts later on. In San Francisco, the Pacific-American Shipowners association offered tonight to start contract negotiations there tomorrow with the AFL Sailors' Union of the Pacific. Association officials said the union immediately cancelled a ban on taking ships to sea.

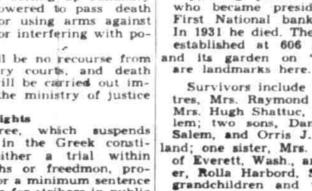
The union itself set a meeting for tomorrow morning to act on ciating: Interment is to be in the operators' offer.

In Washington the president and attorney of the operators' ormond Walsh, Daniel Fry, 111, ganization, J. B. Bryan and Gre-John Fry and Joe Fry, grandgory Harrison, were tied up in discussions with west coast unions a granddaughter, are to be pallof the CIO-dominated committee for maritime unity. From the sessions came official reports of progress. Government conciliators said the west coast isuses "have been narrowed down considerably.

No Sign of Settlement

Even so, no sign of a final setin Salem today. You won't have tlement turned up. East coast settlements, more important in the general picture because the government hopes to use them in setting the pattern

The king-pin CIO National



ups and good earnings records. Their stocks should appeal to local investors. There is always the threat of public ownership, but that usually is accomplished by

so owners are compensated. When the Pepco reorganization

is completed, common stock of Portland General Electric will be distributed to bond and stockholders of Pepco. Likewise this stock should accumulate, through trading, in local hands.

Eventually, American Power & Light will have to dispose of its holdings of stocks of Pacific Power & Light, Northwestern Electric, Washington Water Power and Portland Gas & Coke Co. No intimation is given as to how this will be handled, but it is logical to believe that these securities will come to lodge more and more in local ownership. A cooperative has effered to purchase Pacific Power

& Light preliminary to splitting it among PUDs, but has had no answer to its proposal.

Local distribution of ownership would give the utility companies a stronger local base. Under the strict regulation that now prevails financial piracy is less likely to occur, so the securities should season as good investments. The northwest should be pleased at the prospect of getting both ownip and management in local

Passage of Terminal Leave Pay Bill Assured

WASHINGTON, June 7-(AP)-A gentleman's agreement blocked house action today on legislation to pay billions of dollars to past and present enlisted men for furlough time they didn't get while in service.

The action left the bill unfinwhen its passage is virtually asgured.

Animal Crackers

By WARREN GOODRICH (1.1) MG+FWT 1

"No eviction notice, either!"

Turner, was stabbed to death last were maltreated. Priests were August and his body dumped on conspicuously absent from the the lawn of a physician in Dekals streets today. county, a part of the Atlanta met-Heavy police guards, reinforced ropolitan area.

by treops, cruised Naples streets purchase of existing properties, in light tanks and jeeps armed son, said he was given 50 lashes with machine guns. Early tonight at gun's point at a desolate spot

gunfire continued and some 50 persons, many of them women, had been placed under arrest.

A soldier riding in the open turret of a tank was killed when police fired as volley into the air in an effort to disperse a crowd

YWCA Drive near the University of Naples. A hand grenade was tossed during Past **1** Mark the manifestation, wounding at least 10 persons. This afternoon leaders of the

monarchist party in Naples, called to police headquarters, asserted fund, campaign pushed the total they had not organized the demof pledges above the one-third onstrators.

In Rome police used clubs to luncheon. break up a demonstration by 200 monarchists in downtown streets.

Permits Issued For \$11,000 Garage

A building permit to erect an \$11,000 garage at 370 N. Church st. was issued Friday to Russell Bonesteele. The address is that of the Bonesteele auto sales and ser-**Mundinger** New vice establishment. Henry Carl is

listed as builder. Permits also went to I. W. Geer to repair a dwelling at 1395 N. Cottage st., \$50, and to Alvin Young to spend \$200 for altera-

tions of a dwelling. DIVIDEND DECLARED

luncheon meeting.

establishing a city housing infor-

during the war," Goode said.

service examination to fill one ST. PAUL, June 7-(Special)-A dividend of 50 cents per share grade was closely-followed by Jefferson Council place as sergeant on the force. His on the common stock of North- that earned by Stanley Friese, who west Airlines was declared by di-has been acting sergeant. Walter Elects Member ished business for next Tuesday, rectors, payable July 1 to com- Esplin and Ernest Finch tied for mon shareholders of record as of third place. Others examined June 20 and representing a total failed to pass, the civil service J. J. Denson was elected city of \$271,935. commission reported.

chamber of commerce have sold "so-called scarcity" of building

local veterans short, Don Goode, materials, Goode said, "yet I no-

state department of veterans' af- tice enormous amounts of lumber,

commerce of "dismal failure in homes for its ex-servicemen."

tial profits to Salem merchants so why cant a fire be built under

Home construction in Salem is effort shown," he added.

Don Goode Accuses Business

"If the directors of American Power & Light indicate that they will accept Interstate's offer and supply Interstate with the neces-

Period Starts sary information, we will then obtain a firm commitment for the In Manchuria financing of the purchase," Baker said in a letter to Howard near Atlanta February 13. He is Aller, president of American employed as a bellboy at an At-Power.

entered upon one of the most At Portland, Ore., President delicate periods in her modern Paul B. McKee of Pacific Power history at noon today - a 15-day said in a statement that the oftruce in Manchuria during which fer was "another of the Bonne- she must unequivocally determine ville inspired pieces of political power propaganda." full-scale civil war.

He charged that Interstate "actually represents only a small zealots," and that his concern was where they stood, so that negotia- ples." working on a refinancing program tors here could attempt once which would place it "in an even again to achieve the peaceful

mark Friday and set the sights stronger position than before." higher for Tuesday's report

State Asked to Grand total of pledges which had been reported Friday was \$62,099, of which \$17,037 had been brought in by the women's divi- Buy Bridges sion, representing approximately

three-fourths of the division goal. BAKER, Ore., June 7-(AP)-The The men's division, with \$4032, state grange, concluding its anhad one-fifth of its goal. Pattern gifts totaled \$32,300 out of a \$100,- nual session today, asked that 000 goal. Special gifts amounted either the federal government or to \$8730.

bridges and make them toll-free. They referred to the Bridge of the bridge at Hood River. Grangers went on record favor/

ing permanent legislation which Ersel Mundinger, plain clothes 10 other men in this week's civil to organize farmers or farm labor.

JEFFERSON, June 7- (Special) J. Denson was elected city Taking \$1,500,000 Trove from German Castle councilman to fill the place at

this week's council meeting. The matter of serving beer at the same counter where soft drinks are served at the Terminal was brought up.

Men, C. of C. Selling Vets Short At the time the beer license was approved to the Terminal proprietors, the management agreed to separate the serving of these drinks at the same counter. the army. Salem business men and the practically halted because of a

It was reported that such change has not been made, and a motion mitted having the storied loot. carried that the recorder notify They identified the pair as Col. J. fairs contact man, told the Salem cement and nails going into one is not made, the council would Falls Church, Va., and Capt. the proprietors that if the change W. Durant, 36, former attorney of ask the state liquor control board Kathleen B. Nash Durant, 34, for-Goode accused the chamber of more necessary to Salem than dited by the finance committee Ariz. to suspend their license. Bills au- mer hotel executive of Phoenix,

were ordered paid. mation center to help veterans action by Salem civic groups to we

ł	find, keep or build homes."	conscientiously falfill their war-	Weather		
	"No civic group or organization has made an effort to establish	time promises to servicemen. He declared he was familiar with	Max. Salem 71 Portland 71	Min. 48 48	Rain .6 2
ł	remedies for the veterans' hous-	the present day shortages and	San Francisco 63	54	Trace
Į	ing shortage, comparable to the	economic difficulties. "But plenty	Chicago 84	66	.00
ł	energies used to bring Camp	of action is exerted in getting	Willamette river 3 ft.	- 55	
1	Adair into this area for its poten-	new industries to come to Salem,	FORECAST (from U.S.	weath	er bu-

FORECAST (from U.S. weather bueau, McNary field, Salem) Cloudy oday, occasional light showers this afternoon. Highest temperature 74 de-

istle policies, and declared Pope season in western Oregon, the first Pius XII had tried to intimidate over the nation as a whole French and Italian voters "with all kinds of bogies."

English-language broadcast Split Scorned Commentator Philip Baratov in said "one gets a pretty good.idea of what the west means by inde-pendence if one considers the By Wallace treaty for the so-called indepen-

dence of trans-Jordan, the Anglo-Egyptian talks in Cairo, and the talks between the Anglo - Dutch authorities and representatives of the Indonesian republic.

"The same methods were used dissatisfied with President Truby the Americans in developing man's labor policies. whether she is to have peace or their system of naval bases in the Pacific and in the Caribbean war On the Manchurian plain orders halted a half million opposing was also screened with the flag group of self-starting power government and communist troops of independence for the slave peo-

Aussies Settle Lend-Lease

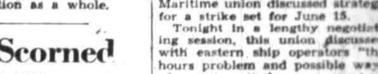
prevented the general civil war WASHINGTON, June T-(AP)which had been an hourly threat Australia settled her lend-lease 2-Year-Old Treated account with the United States tonight by promising to pay \$27,-For Fall off Bicycle 000,000 to the Américan govern-Model Planes Will ment

Two-year-old Dickie Steward After three months of negotia-2420 Lee st., "fell off a bicycle," tion. Secretary of State Byrnes supposedly one on which he was and Australian Minister of Extercarried by an older person in nal Affairs Herbert V. Evatt, West Salem on Friday, and Salem signed an agreement at the state city first aid men were called to

tee

give him emergency care for fa-Australia thus became the fifth cial cuts. Andy Ziegler, 125 Rosemont, nation to wind up its lend-lease

obligations to the United States split the end of his thumb with a lengths uniform with those per- the Salem Cloud-chasers among and the first to whom the Ameri- knife Friday and after first aid can government did not have to was given he was sent to Salem partment, topped the grades of also opposed any union attempts in prizes, it was announced Fri- extend credit to make the settle- General hospital for anti-tetanus ment possible. shots



Tonight in a lengthy negotiate ing session, this union discussed with eastern ship operators "the hours problem and possible way of meeting it by compensatory time off.'

No Explanation

That was the wording of a labor WASHINGTON, June 7-(AP)department announcement. No ex-Henry A. Wallace made it emplanation was given. Presumably phatically clear today that he is under such a scheme, seamen not available to spearhead any would work more than a '44-hour third party movement of groups week at sea (the union demands 44 hours instead of the present 56hour week) and be given time off in port later to make up for the .

The democratic party will remain "progressive" and a third overtime hours. party could only mean a "reac-Negotiations will continue totionary victory," the secretary of commerce said in an article in morrow President Truman talked with "The Democrat," official organ of

his cabinet about the maritime the democratic national commitcrisis and word seeped out that prospects were "pretty bad." The He expressed the opinion that situation was so "delicate" that a the Republicans will nominate "a house subcommittee abruptig reactionary" for president in 1948. halted an investigation of it until and lose the election. next Tuesday.

Two Injured as **Bus Hits Auto**

Mr. and Mrs. Thomas Morris, were given emergency city first aid care and brought to Salem General hospital Friday night after their car had been struck by Greyhound stage as it turned from the highway into Quinaby auto park, a mile south of Brooks, where they have been living. Mrs. Morris complained of chest and back injuries. He had lacerations,

Infants to Be Banned From 'Bride Ships'

WASHINGTON, June 7 -(F) Infants under six months will be banned from "bride ships" bringing American servicemen's families from the European and Mediterranean theatres, the war department announced tonight.

This action was taken after study of a report submitted by the board of inquiry which investigated the epidemic among children aboard the army transport Zebulon Vance.

carried on the search, dug up the HOOVER, PERON TALK

BUENOS, AIRES, June 7-(A) Herbert Hoover, on a special food mission for President Truman, talked for an hour today with President Juan D. Peron in an atmosphere described as cordial and cooperative.



WASHINGTON, June 7-(AP)-mentarily. The arrest of a honeymooning | Of the treasure itself - dia- tage more carefully hidden near colonel and Wac captain in con- monds, pearls, amethysts and roy- the treasure hoard. The circumnection with the filching of \$1.- al heirloams-officials recovered stances indicated something else 500,000 of Hessian crown jewels that part which they said was the was hidden. and other treasure from a Ger- woman's loot. They placed this at

man castle where their romance 25 to 50 per cent of the heard. started, was disclosed today by The rest, they said, went to the Officials said the couple ad-

She had carried on her hotel-

buried by members of the old house of Hesse. It was there Du- officers' rest home. rant met her.

1600 bottles of very ancient vin-The corporal is alleged to have

Honeymooning Colonel, WAC Captain Admit

jewels and turned them over to colonel. The authorities do not the Wac, who was in charge of have this portion now, but indi- the rest home. Where the major cated they know where it can be came in, and just how the hoard

was smuggled to this country, found were not disclosed immediately. Col. A. C. Miller, of the provost marshal general's office, and At any rate the major and the his assistant, Lt. Col. J. S. Myers, corporal, Miller said, apparently did not get their share. unfolded the story at a news con-

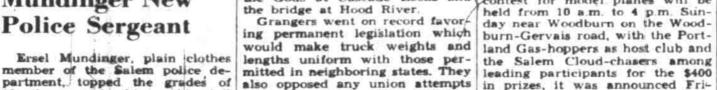
It was not any tip from those ference. They told it thus: The hoard, in a lead-lined castwo, but the subsequent marriage keeping work in the army by di- ket within a wooden box, was of the Wac and the colonel, Milrecting the officers' rest home hidden in the deepest cellar of the ler related, that aroused he susestablished in 80-room Kronberg 100-room Kronberg castle near picion of army authorities and set castle, where the trove had been Frankfurt-on-Main, which subse- them on the trail.

Despite the discharge of the corquently was taken over for an poral, authorities said all four When 3rd army troops first probably would be subject to

Two others - a major still on moved into the area, thirsty GI's court martial in the European active duty and a corporal who went hunting for liquor in the theater under charges of larceny. has been discharged-are sought, castle. They found 1800 bottles of The penalty upon conviction could but their arrest is expected mo- choice wines. Then, they found be fine or imprisonment.

day





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