

Confidentialia Letter Bares Wallace Policy

IT SEEMS TO ME

By Charles A. Sprague

Senators Frank Hilton of Portland and Fred S. Lamport of Salem and Representatives Pat Lonergan and Jack Bain of Portland, members of a legislative interim committee on state institutions, were in Salem Tuesday conferring with representatives of the Salem long-range planning commission respecting a proposal to remove the state penitentiary to a new location. J. N. Chamber, chairman, C. A. McClure, engineer, Sen. Douglas McKay and this writer, members of the commission, met with the legislators.

The planning commission has been concerned over the fact that the city is pretty well ringed about with state institutional property. Hundreds of residences have sprung up beyond the state holdings so the institutions are fast becoming islands in an urban area. What the commission is urging is that the penitentiary be removed to a rural district where it can acquire plenty of land. The penitentiary's holdings of some 200 acres at the edge of the city, not counting the prison annex, could be sold for residential or industrial property. The proceeds would go quite a ways toward relocating the institution.

The idea is not new. It has been discussed in the legislature many times. It becomes more urgent now as the state has appropriated money for additional investment at the present institution. The planning commission urges that the state take steps to acquire land elsewhere and start building a new and modern plant. Gradually the transfer could be made so that the institution could be closed.

(Continued on editorial page)

Sabotage-- Declares Standley

LOS ANGELES, Sept. 17.—(AP)—Admiral William H. Standley, wartime ambassador to Russia, declared tonight that "Secretary Wallace by his speech in New York has sabotaged our ship of state—he is not only guilty of disloyalty to his president and the nation, but he has given aid and comfort to a virtual enemy, an offense for which, in time of war, he could be shot."

Admiral Standley, now retired and national commander of the Military Order of the World Wars, flung the accusation in a speech before the organization's southern California chapter.

"When decision is taken, true loyalty required that every member of the staff give cheerful support to the decision, whether it is or is not in accordance with his personal views."

The admiral praised Secretary of State Byrnes for his policies with respect to Russia.

"Russians are orientals," he declared, "to whom the saving of face is very important. That is why they depend so much on the iron curtain to hide true conditions in their country and the reason for their braggadocio and breast-thumping."

The Oregon Statesman

FOUNDED 1851
NINETY-SIXTH YEAR 10 PAGES Salem, Oregon, Wednesday Morning, September 18, 1946 Price 5c No. 148

AFL Seamen To Return to Ships

By the Associated Press

The National Maritime union (CIO) restored a spark of life to America's prostrate shipping industry yesterday by lifting its ban on the sailing of AFL-manned ships and those flying foreign flags.

Shortening of the CIO picket lines in the 13th day of the nation's coastwise maritime strike meant that the number of idle seamen would almost double down from the peak figure of a half million to about 90,000.

Although the Association of American Railroads did not immediately lift its embargo on rail shipments to the country's strike-ships, a party of a spokesman said an increasing number of permits were being issued for cargoes which could be handled by vessels freed from the embargo.

WNU headquarters said Curran's directive was nationwide, covering the Pacific as well as the Atlantic and Gulf coasts.

The peace gesture by Curran, however, was accompanied by a reaffirmation of his union's determination to prolong its strike indefinitely, if necessary, to win wage equality with the AFL seamen.

The differential now is \$5 a month on the west coast, \$10 on the Atlantic and Gulf coasts. Negotiations with ship owners have collapsed on the east coast and have not started at all on the west coast.

Buildings For Sale At Adair

Nearly 1300 Camp Adair buildings, which once housed some of the outstanding American army combat divisions, are on sale today.

A war assets administration yesterday announced the sale on a regular priority basis, representatives of the League of Seven Cities continued hopeful for the success of their efforts to have at least part of the camp set aside, as is, to house veterans of this area.

Mayor Cliff Knodell of Albany, chairman of the league's committee acting in the Adair housing plan, said Tuesday that the league's official letter of intent asking WAA to "freeze" the sale pending action on the request to develop a housing colony at the camp site, was mailed to Seattle WAA headquarters Monday.

Elected



PHILADELPHIA, Sept. 17.—The Rt. Rev. Henry Knox Sherill, D. D., bishop of Massachusetts, was elected new presiding bishop of the Protestant Episcopal church in the USA at the church's convention here today. (AP Wirephoto).

Tells Truman, Risk Appeasement Label To Assure Security

WASHINGTON, Sept. 17.—(AP)—A letter from Secretary Wallace to President Truman urging a sweeping overhaul of U. S. foreign and military policy, jinking of the Baruch-Acheson atomic control plan and more conciliatory treatment of Russia was made public tonight with the president making last-minute efforts to head it off.

A perhaps historic mixup on high levels of government accompanied the latest episode in an international drama touched off by Wallace's speech last Thursday decrying what he termed the policy of "get tough with Russia."

The letter, it was explained, was written July 23 in response to a presidential request for cabinet members' views on foreign policy. The commerce department said that it was "filched" from the files and came into the hands of a columnist.

Wallace took the matter up with President Truman's Secretary of State, Acheson, and they agreed, it probably would be a good idea to make it public inasmuch as the columnist was distributing it. Ross told Wallace to go ahead and mimeograph it for the press.

Then Ross got in touch with the president and was told Mr. Truman did not wish to give his approval to the release of the letter, lest it be understood abroad that he was approving its contents. But it was too late to head it off.

The commerce department did not name the columnist who obtained the letter but Drew Pearson, columnist and radio commentator, issued a statement saying:

"Unless Secretary Wallace retracts the statement indicating that I 'filched' from the commerce department files his Russian letter to President Truman I shall be compelled to bring suit against him for libel."

Truman Invited Stalin for U. S. Visit

The letter revealed officially for the first time that Mr. Truman previously had invited Premier Stalin to visit the United States.

And it disclosed that Wallace prepared a memorandum last March for Ambassador W. Bedell Smith to take to Moscow suggesting trade discussions. Whether the president gave it to Smith was not clear.

The 3600-word letter went far beyond Wallace's controversy-ridden speech in New York last Thursday in expressing anxiety over "the present trend toward conflict and the secretary's convictions that drastic changes in the American attitude toward Russia are necessary to stop it."

In writing it, Wallace recalled to the president at the outset that "I checked with you about this last Thursday and you suggested after cabinet meeting on Friday that you would like to have my views." The letter was dated the following Thursday.

Thus, it seemed clear that Mr. Truman had the opportunity to be familiar with the views of his commerce secretary when Wallace checked his New York speech with him before delivery. Mr. Truman told his news conference last Thursday that he approved the whole speech and, when asked whether it did not conflict with the foreign policy line followed by Secretary of State Byrnes, replied that it was exactly in line. But on Saturday the chief executive explained that his approval was not only Wallace's right to deliver his speech.

As an upshot of the resulting storm, Undersecretary of State William L. Clayton today challenged the wisdom and prudence of personal foreign policy statements by government officials. He told his news conference that he assumes such speeches in future will be cleared with the state department. Later he had an unheralded conference with Mr. Truman.

Wallace was already served notice that he expects to speak further on the subject to see the president tomorrow.

Wallace's letter of July called for ascertaining "from a fresh point of view what Russia believes to be essential to her own security," judged "against the background of what we ourselves and the British have insisted upon," and continued:

"We should be prepared, even at the expense of risking epithets of appeasement, to agree to reasonable Russian guarantees of security."

Wallace argued that "we should not act as if we too felt that we were threatened in today's world," adding that "any talk on our part about the need for strengthening our defenses further is bound to appear hypocritical to other nations."

Rich Gold Vein Found on Southern Oregon Border

LAKEVIEW, Ore., Sept. 17.—(AP)—A rich gold vein in the Gold Shore Mining company mine near Pine Creek, Ore., on the Oregon-California border a few miles west of Nevada, was reported today by Wellman Smith.

Smith, who had spent the summer searching for the vein known to exist somewhere along the mountainside, said he believed he had discovered the most valuable vein of gold in the high grade district.

He said the Colorado Assaying company of Denver estimated the vein run from samples at \$835.80 a ton.

The Gold Shore Mining company originally was worked by George Cline of Alturas, Calif., who spent 20 years searching for the vein. He died not knowing that he had missed it by only 15 feet, Smith said.

The ledge discovered by Smith is 18 inches wide, he said, and has been prospected for a length of 20 feet and to a depth of 25 feet, with gold-bearing ore still running strong.

Smith is sinking a shaft, has three tons of ore ready to ship and expects to take out another three or four tons before bad weather sets in.

Snell Approves State Employees Pay Schedule

A state employees' salary and wage schedule prepared by the state civil service commission today had the preliminary approval of Gov. Earl Snell, who has ordered a series of hearings before final action is taken. Hearing dates are not yet set.

Under the plan, pay increases would affect primarily state workers in the lowest pay brackets. Minimum salaries in those brackets and maximum rates attainable through annual increases both are raised in the plan.

The commission advised the governor that, in accordance with the mandate of the new civil service law, it had given primary consideration to rates being paid for comparable work in private industry.

In applying the data received from private industry the commission disregarded the lowest 25 per cent and highest 25 per cent of salary rates reported in the belief, as an employer, the state should not be in the position of paying its employees minimum or sub-minimal wages nor should it attempt to compete with the highest salaries which might be found to exist.

Studies made by the state budget division on the application of the proposed scales indicate the initial cost to the general fund will be \$286,684 and for self-supporting funds \$482,316.

Rent Control Area to Extend To West Salem

Federal rent control will extend beyond Marion county to include the corporate limits of West Salem, it was announced officially Tuesday by the Portland headquarters of the office of price administration.

Extension into West Salem was the only additional area mentioned in the OPA announcement which followed its recent decision to establish federal rent control here. OPA October 1 to become effective October 1.

The federal rent control office for this area will be located in the Salem armory at Liberty and Ferry streets, in the offices now occupied by the selective service board, OPA disclosed yesterday. Details of the staff and of the registration of renters are not yet complete.

Volunteer local workers will be required to assist a small paid staff in the original registration, OPA indicated. An "area" rent representative will be appointed to take charge of the Salem office.

Balkan Border Probe Favored

LAKE SUCCESS, N. Y., Sept. 17.—(AP)—An authoritative source said tonight the United States likely would suggest to the United Nations security council tomorrow that the council name a fact-finding group to investigate border incidents along the entire northern border of Greece.

The council is considering so-called "Ukrainian charges" that the Greek government has instigated incidents along the Albanian-Greek frontier. The Soviet Ukraine also has complained that the present Greek government is a menace to the peace of the Balkans.

Slavs Fear Trieste Plan

PARIS, Sept. 17.—(AP)—Yugoslav delegate Ales Bebler charged today that the western powers were guided by power politics in peace conference proposals for the boundaries of the free zone of Trieste, and were attempting to establish a bridgehead there for future action against Yugoslavia.

He said the Trieste plan continued, the Bulgarian political commission adopted without dissent or discussion an article requiring Russian forces to evacuate Bulgaria within 90 days of the date the treaty takes effect, and speed through seven other articles of the Bulgarian treaty.

The military commission adopted provisions for division of surplus Italian fleet units among the United States, Britain, France and Russia and agreed on demilitarization of the Italian frontiers.

Chest Drive Started Rolling

When Salem Community Chest President Loyal Warner handed a penny to A. C. Haag, pre-campaign chairman, during the pre-campaign kickoff breakfast at the Marion hotel yesterday, the first step toward the raising of the Chest's \$80,085 goal was taken.

More than 50 chest workers attended the program at which Dr. Charles Durden was featured speaker.

Pre-campaign workers started their fund-raising jobs yesterday, hoping to raise half of the quota before the regular campaign opens October 1. Only potential givers of large donations will be contacted during the pre-campaign.

Forest Closures Lifted by Rogers

Four additional forest closures, ordered early in the 1946 fire season, were lifted by State Forester Neil Rogers Tuesday. These included the Douglas, Lane, Coos and Linn Fire Patrol association lands and the Willamette national forest.

Rogers indicated that virtually all of the closures would be eliminated prior to the opening of the deer season.

Slavs Fear Trieste Plan

PARIS, Sept. 17.—(AP)—Yugoslav delegate Ales Bebler charged today that the western powers were guided by power politics in peace conference proposals for the boundaries of the free zone of Trieste, and were attempting to establish a bridgehead there for future action against Yugoslavia.

He said the Trieste plan continued, the Bulgarian political commission adopted without dissent or discussion an article requiring Russian forces to evacuate Bulgaria within 90 days of the date the treaty takes effect, and speed through seven other articles of the Bulgarian treaty.

The military commission adopted provisions for division of surplus Italian fleet units among the United States, Britain, France and Russia and agreed on demilitarization of the Italian frontiers.

Disassociate Loan from Politics

While criticizing extensively in general terms various policies being followed by the state department, Wallace singled out at least two for specific assault:

1. That Russia discuss her trade relations with other nations as a precondition for obtaining an American loan. Wallace contended that the question "should be approached on economic and commercial grounds and should be disassociated as much as possible from the current misunderstandings which flow from the basic differences between their system and ours."

2. The American stand for internationalization of the Danube and the Dardanelles. Wallace wrote that "we would be horrified and angered by any Russian counterproposal that would involve also the internationalization and disarming of Suez or Panama" and that "to the Russians these seem to be identical situations."

Wallace's criticism of the plan, which the administration presented to the United Nations for controlling atomic energy was the first to be uttered by any government official. The plan was offered by Bernard M. Baruch and Mr. Truman has said several times that he stands squarely behind it. It is based on a report from a state department committee headed by Undersecretary Dean Acheson.

The commerce secretary found "a fatal defect" in the provisions "requiring other nations to enter into binding commitments not to conduct research into the military uses of atomic energy and to disclose their uranium and thorium resources while the United States retains the right to withhold its technical knowledge of atomic energy until the international control and inspection system is working to our satisfaction."

He proposed, instead of what he called the "step-by-step" idea of the administration plan, "an agreement which will commit us to discussing and destroying our bombs at a specified time or in terms of specified actions by other countries, rather than at our unfettered discretion."

Cattle Sales Said Rising

By the Associated Press

Most American cities remained in the grip of a serious meat shortage yesterday but a steady increase in livestock marketing gave hope that some relief may be in sight.

When OPA controls were put back on livestock and retail meat prices earlier this month, receipts of all livestock dropped to about 20 per cent of normal. However, the first two days of this week cattle receipts have climbed to about 55 per cent of a year ago and sheep receipts are almost equal with last year.

LESSON IN GRAVITATION

Seven-year-old Terry Meisinger, 1630 N. 20th st., forgot to duck when he threw a broken milk bottle into the air Tuesday. A gash in his head was treated by first aid men.

BIBLE ADDITION DENIED

Application by the Salem Bible institute academy for construction of a \$60,000 addition at West Salem has been denied by the civilian production administration at Washington, D.C., the Associated Press reports.

Colton Man Elected President of Turkey Improvement Group

By Lillie L. Madsen Farm Editor, The Statesman

F. R. Potts of Colton was elected president of the Oregon Turkey Improvement association at its annual meeting held at the Salem chamber of commerce Tuesday, closing with a dinner meeting at the Marion hotel. Approximately 200 were in attendance.

Potts, replacing C. R. Dear, Independence, who presided, was chosen from seven candidates, four of whom were elected at the afternoon session. These were Stephen Adelman, Yamhill; and John Sawyer, Brownsville, re-elected; Bill Chase, Aurora; and W. A. Schwedler, Portland. Holders are C. H. Doyle, St. Paul; R. Borovicka, Seico; and Potts. Noel Bennion, Corvallis, was made secretary, replacing Adelman.

Finding favor with the turkey breeders was the appointment of a committee to study the expansion of the association to include market producers as well as breeders, and the establishment of districts each to elect a director to form the central board. Appointed to the committee were Frank Sparks, Grants Pass; Gordon Ryals, Cottage Grove; W. A. Schwedler, Portland. Also favored was the collection of 1/2 cent a bird by packers at the time of slaughter for the purpose of advertising turkeys, poult and eggs.

Panel discussion highlighted the day's meeting, with some gloom shown by breeders, although the general opinion expressed indicated that the turkey industry was settling down with the elimination of fly-by-night producers, and that the efficient producer would still have a sound industry. The national slogan, "Eat More Turkey," was stressed by all speakers.

David Simpson, Milwaukie, past president of the Portland chamber of commerce; P. M. Brandt, OSC, and E. L. Peterson, state director of agriculture, were banquet speakers. Simpson stressed the benefits of publicity, Brandt told of the turkey research work at the college, and Peterson reported that while the grain situation was good right now he expected to see it get tight again by spring, recommending that turkey growers protect themselves on grain. He added that the present situation, which "is bad, will be more difficult before it is better."

Fred Cokell of Milwaukie was master of ceremonies. Dr. J. E. Parker, replacing the recent Hubert Cosby as head of the poultry department, OSC, was introduced.

Bowles Beaten In Connecticut

HARTFORD, Conn., Sept. 17.—(AP)—Lieutenant Governor Wilbert Snow, gray-haired, 62-year-old English professor and poet, won the gubernatorial nomination for governor today after a last ditch battle put on by Chester Bowles, wartime OPA head, and three other candidates.

Bowles made a close race of it, receiving 455 votes from the 1246 tense, excited delegates at the state convention. Snow polled 525 votes, 99 less than the necessary majority, but leader after leader immediately swung to him as the result was announced.

Labor Office Issues Call for Prune Pickers

Prune pickers are in demand this week for the first time since the prune harvest began, according to the Salem farm labor office which announced Tuesday that 10 of the 39 farmers calling for prune pickers left without a single man. Rains have caused the pruning to fall to the ground. Last week prune picking was retarded when canneries stopped taking them for a few days.

One hop grower is attempting to harvest 18 acres of hops with but six pickers, and other growers are working with but 25 per cent of their needed crews, the farm labor officials reported.

Prune picking will be finished today, the farm labor office said, but the demand for prune and hop pickers will continue for another 10 days to two weeks.

Sen. Cordon to Address C. of C.

Sen. Guy Cordon will address the Salem Chamber of Commerce at its first members' luncheon meeting of the season next Monday noon at the chamber's dining hall. Reps. Walter Norblad and Homer Angell also will be present.

Other special guests will include members of the Willamette basin and Willamette valley project commissions.

Gambling Ship Seized by U. S.

LONG BEACH, Calif., Sept. 17.—(AP)—The U. S. justice department, taking Tony Cornero Stralla's word for it that his gambling ship Bunker Hill is on the high seas, sent some 70 coast guard blue-jackets aboard the vessel today and seized it under the admiralty laws and towed it to Los Angeles.

U. S. Attorney James M. Carter said condemnation proceedings would be instituted on grounds that the craft is engaged in operations other than that for which it was licensed—coastwise trade.

An estimated 250 to 300 patrons were still aboard, but their departure ashore was not impeded.

Animal Crackers

