

Oregon City Executive Appointed Salem's First City Manager

Franzen Gets Post; Kowitz, McKinney Also in New Setup

J. L. Franzen, city manager of Oregon City for the last 21 years, will become the first city manager of Salem with Chris Kowitz as his city attorney and with W. W. McKinney as municipal judge.

These "appointments"—which cannot take on legal status until formally ratified when the new city regime is installed after January 1—came in rapid-fire order last night as the council-elect met at the home of Mayor-elect R. L. Elfstrom to shape up Salem's government-to-be.

Franzen, 62, long-time resident of Yakima and a civil engineering graduate of Washington State college, told The Statesman via telephone from Long Beach, Calif., last night that he would accept the post and would attend 1947's first council meeting set for 9 a. m. Thursday, January 2. There were about 30 applicants for the job.

The council-elect set the city manager's salary at \$7,500 annually with the stipulation that he be paid on the basis of two-thirds that amount while he is handling the Salem post on a part-time basis, pending Oregon City's finding a successor. Deadline for going on a full-time basis here was set for March 1.

On Part-time Schedule
Kowitz, graduate of Williamette, former councilman and a practicing attorney in Salem for 23 years, will replace Lawrence Brown, incumbent city attorney who did not request reappointment. The position will continue to be part-time, drawing slightly more than \$400 monthly for salary and secretarial help, until and unless the council acts on Mayor-elect Elfstrom's plan to make it a full-time job. Kowitz has indicated he might not be interested in the post in event such action is taken.

Kowitz' "appointment" necessarily was in the form of a recommendation to the new city manager, who has control of appointive offices, but Franzen told The Statesman last night he would be "glad" to follow the council's suggestion in the matter. He and Kowitz are friends of 20 years' standing.

Has Two-Year Tenure
McKinney, also a graduate of Williamette, an attorney since 1926, will take over the municipal judgeship on a part-time basis, relieving City Recorder Al Mundt of those duties. McKinney's appointment extends for two years without being subject to Franzen's approval, after which the municipal judge becomes an elective officer. Salary was set at \$2,500, with secretarial help in addition. A tentative plan calls for court sessions at 9 a. m. daily.

Also discussed last night was a proposed new set of regulations governing council action but no vote was taken pending the groups obtaining official status after New Year's. The regulations propose that a quorum be set at five (there are seven councilmen and a mayor under the new setup) and the regular meeting times be changed from the first and third Mondays to the first and third Wednesdays.

Incumbents Not Discussed
There was no discussion last night on other appointive offices under the new city manager form of government, which now are held by Al Mundt, city recorder; Dr. W. L. Stone, health officer; Frank Minto, chief of police; Bart Cooper, sanitary inspector; Carl Guenther, manager of the water department; William Iwan, acting chief of the fire department, and J. H. Davis, city engineer and street commissioner.

Present at the session with Elfstrom were Chris Kowitz and all the councilmen—Claude J. Henschen, Claude W. Jorgensen, Dan H. Hare, Howard Maple, Albert Gille, R. O. Lewis and Daniel J. Frye, the latter only recently having returned from a two-months' plane trip in South and Central America. (Additional details page 4.)

French Place Revolt Blame
PARIS, Dec. 26—(AP)—A French foreign office spokesman tonight accused Ho Chi Minh, president of the fugitive Viet-Nam republican government, of deliberately planning and directing the nationalist uprising against colonial authority in French Indo-China.

The accusation came as dispatches from the embattled colony reported that Ho, who fled his capital at Hanoi at the outset of the fighting last week, had reestablished his government at Hadong, six miles to the southwest.

Other dispatches said French colonialists, now in command of the entire European quarter of Hanoi, were stabbing ahead on virtually all the scattered fronts as the nationalists fell back.

BUDGET PLANNED
OLYMPIA, Wash., Dec. 26 (AP)—Governor Wallgren said late today he has completed work on a budget for the 1947-48 biennium balanced at \$488,500,000, excluding capitol outlays.

Animal Crackers
By WARREN GOODRICH

"I think it's going to rain—my corns are aching."

Two major American companies—Standard of New Jersey and Socony Vacuum—were involved in both deals according to announcements from London and New York.

In what was considered the most far-reaching transaction, it was disclosed that a "preliminary" agreement had been reached whereby the Arabian-American Oil company, which owns exclusive rights to the Saudi-Arabian fields, would sell about 30 per cent of its holdings to Standard Oil of New Jersey. Socony Vacuum Oil company is expected to buy another 10 per cent.

The Arabian-American company is controlled by Standard Oil of California and the Texas company.

Standard of New Jersey, announcing its share in this deal, said final consummation is contingent upon surveys and discussions now in progress.

In the second agreement, Standard of New Jersey and Socony Vacuum reached an accord in principle with the Anglo-Iranian Oil company, Ltd., to purchase substantial quantities of crude oil from this British company, which operates in Iran.

By William F. Arbogast
WASHINGTON, Dec. 26 (AP)—Ernie Adamson, counsel for the house committee charged with investigating un-American activities, came up today with a report saying:

1. There is a "conspiracy" brewing to promote a communistic revolution in the United States through an economy-wrecking general strike, or other means.

2. Seventeen important CIO labor unions are dominated by red agents of the soviet union.

3. The library of congress is "a haven for aliens and foreign-minded Americans."

4. The state department ought to protest about activities of numerous representatives of foreign nations attached to the United Nations and busily fol-

City Manager



J. L. FRANZEN

City Attorney



CHRIS KOWITZ

New Judge



W. W. MCKINNEY

Manager-to-be In California For Holidays

LONG BEACH, Calif., Dec. 26 (Special to The Statesman)—J. L. Franzen, informed by The Oregon Statesman tonight that he had been appointed Salem's first city manager, said he would be "delighted to serve the people of Salem," though it would be "with regret" that he leaves a similar post at Oregon City.

He said he would be in Salem January 2 to assume his duties on a part-time basis only, "because I certainly don't want to leave Oregon City in the lurch," and that he hoped to take over his new post full time by the middle of February.

Franzen and his wife are in Long Beach spending the holidays with their daughters, Mrs. Paul Hughes and Mrs. James Smith.

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4. The state department ought to protest about activities of numerous representatives of foreign nations attached to the United Nations and busily fol-

lowing "with blind obedience the dictates of Moscow."

5. "Communist-controlled unions" are making inroads in the Panama Canal zone and by tying up the canal "can paralyze our entire shipping and commerce."

6. Communist members reserved comment on Adamson's findings. The CIO and the library of congress called the references to them untrue.

Members said the committee probably would meet early next week to formally approve, or modify, the report.

"We haven't had a chance to read it yet," one member said. "It's all news to me."

Adamson said: "The time has come for all labor unions to inquire fully into the aims of those who pose as

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4th Plane Safe Near Shanghai

SHANGHAI, Friday, Dec. 27—The Shanghai Press reported today that the death toll in three Christmas day air liner crashes here had reached 67 but a fourth missing plane with 10 persons aboard was safe.

A brief announcement said the fourth plane, object of general anxiety for more than 24 hours, had turned back from the fog-shrouded Shanghai airport along with nine other planes in the flight of 13 ships which had been carrying Christmas celebrants from the interior to Shanghai for the holidays.

All the nine planes landed safely at interior airports.

Among the victims was an American pilot, J. M. Greenwood, Bowin, Tex., an employee of the China National Aviation corporation, at the controls of one of the planes. His family was en route to China.

The crashes occurred when the planes were trying to land at Shanghai's fog-bound airport and three children were killed when one plane struck a farmhouse.

In addition, 19 occupants were injured, a Chinese woman and three children were killed when one plane struck a farmhouse.

The missing 10 were aboard a plane which still was unaccounted for among 13 planes bringing passengers to Shanghai for the holiday.

Aided by radar, one of the planes landed safely, turned back and landed elsewhere.

Another American, R. B. Preus, piloting a second CNAC liner, was among the 19 seriously injured.

Holiday Deaths Near Record

By the Associated Press
CHRISTMAS holiday violent deaths, most of them from traffic accidents, totaled 308 throughout the country.

Traffic fatalities accounted for 253 deaths and miscellaneous causes claimed 55 victims between 6 p. m. (local time) Christmas eve and midnight Christmas day, a final compilation showed last night.

The traffic deaths were far in excess of the 150 forecast by the national safety council for the same period and a council spokesman said it would be a near record number, after inclusion of those dying from injuries suffered during the period.

WAL Airliner On Mountain

SAN DIEGO, Calif., Dec. 26 (AP)—Sheriff's deputies searching for a Western Air Lines transport which disappeared Christmas eve with 12 persons aboard reported late today that they had sighted pieces of shiny metal in what appeared to be a burned area on the east slope of Cuyapaipe peak, which is 65 miles east of here.

The deputies, who made their way by automobile to a point two feet up the 3,375-foot peak, said the metal pieces were sighted through field glasses.

Shortly after the report came in thick weather closed in on the mountains and forced cancellation of the search until tomorrow.

H. T. Hesse Resigns State Legislature

Resignation of a virtual Representative H. T. Hesse, republican, Washington county, was received by the state department here Thursday. He has served in the house since 1939 and at the last legislative session was honored with a number of important committee assignments. Hesse lives at Scholls. The Washington county court will elect his successor.

Courtesy Driving Campaign Lauded For Yule Safety

A record of traffic safety over the Christmas holiday was reached this year, Chief of Police Frank A. Minto said last night, and attributed much of the improvement "definitely to the Statesman-Warner Bros. Courtesy Driving campaign" conducted here December 10-21.

Only a few minor injuries were incurred here during the holidays. Of the holidays' four fatal accidents in Oregon, none were in Salem.

Solons Told Red Revolt Brewing in Nation

WASHINGTON, Dec. 26 (AP)—Ernie Adamson, counsel for the house committee charged with investigating un-American activities, came up today with a report saying:

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U. S. Border Closed To Mexican Cattle

EL PASO, Tex., Dec. 26 (AP)—The U. S. border at all points was closed to Mexican cattle late today when an "urgent" message was received here from Washington by Dr. John Redmond, inspector in charge of the bureau of animal husbandry in El Paso.

The order read: "Effective now make no further inspections on Mexican ruminants or swine offered for inspection pending further instructions. Notify border inspectors. Urgent."

The border was quarantined on June 15 when stock imported from Mexico was believed to have been infected with hoof and mouth disease. The ban was lifted on October 17.

Heavy Rains Create Floods In Los Angeles

LOS ANGELES, Dec. 26 (AP)—The Los Angeles metropolitan area began drying out tonight after the heaviest Christmas rainstorm in five years. The weather bureau forecast partly cloudy weather, with some showers, for tomorrow.

Rainfall which began Tuesday and continued steadily through Christmas eve and Christmas day celebrations and into today totaled 2.64 inches, giving Los Angeles a season total of 9.88 inches compared with a normal of 4.26 inches up to this date.

Streets blocked
Many streets were blocked at times as water, collecting faster than it could run off, formed miniature lakes as deep as automobile hoods in some places. Hundreds of cars were stalled. Silt slides partially blocked sections along Hollywood boulevard, Benedict Canyon road, Linda Vista avenue in Pasadena and the Arro Seco freeway. All were open today, however.

A huge piece of concrete from a retaining wall slid down a cliffside and wrecked a garage on Union avenue.

Man Missing
Roy L. Parcher, 47, was reported by his son, Wayne, to have been swept off a bridge across a storm channel by a four-foot rush of water while the two were trying to extricate an automobile. Wayne Parcher assisted police in searching for the body.

The storm was one of the principal contributing factors in the unprecedented holiday toll of 47 traffic deaths in southern California.

E. H. Ellis Hurt In Accident

Edwin H. Ellis, 70, of route 1, box 113, Salem, reported as progressing satisfactorily at Salem Deaconess hospital after incurring a fractured collarbone at about 9:20 last night when his auto collided with a car operated by Harold W. Hanson, 1912 Hazel ave., at Front and Center streets.

Laraine Baron, 17, of 1535 Jefferson st., a passenger in Hanson's car, was dismissed from Deaconess hospital after X-rays showed that back pains were not caused by broken bones or other serious injury. Investigating city police said that both cars were badly damaged.

Cain Appointed In Move to Gain Senate Seniority

OLYMPIA, Dec. 26 (AP)—Governor Wallgren today appointed Republican Senator-elect Harry P. Cain to the United States senate effective tomorrow.

The governor appointed Cain immediately after accepting the resignation of Sen. Hugh B. Mitchell, defeated democratic incumbent.

Cain's regular term of office, to which he was elected last month, normally would begin January 3. His appointment effective tomorrow may give him seniority over new senators taking office next month.

Traffic Menaces Medford Buildings

MEDFORD, Dec. 26 (AP)—Building owners decided today that Medford's traffic is becoming menacing.

A truck careened into a filling station Christmas day and knocked over a 400-pound gasoline pump—the fifth recent occasion when cars have smashed into buildings.

Iowa Farmer Stuck With 730,000 Frogs

DES MOINES, Dec. 26 (AP)—An Iowa farmer with 730,000 frogs on hand today filed a \$101,041 claim against the state because of a law which restricts their distribution.

The farmer, W. H. Potthast of Milford, said he has 550,000 three-year old frogs and 180,000 two-year olds. He said he planned to sell them from the New Orleans frog market when he discovered the law prohibits their shipment out of the state.

President Truman Back in Washington

WASHINGTON, Dec. 26 (AP)—President Truman returned to Washington tonight, his flying trip home for a Missouri Christmas at an end.

Mr. Truman spent an hour with his 94-year-old mother, Mrs. Martha E. Truman, at Grandview, Mo., before driving to the Independence airport.

U. S. Food, Clothing Costs Take Tumble

George Allen Reportedly Resigns RFC

CHICAGO, Dec. 26 (AP)—The Chicago Sun said tonight that George E. Allen, director of the reconstruction finance corporation and one of President Truman's closest advisors, has resigned and that Mr. Truman has accepted the resignation with "deepest regret."

WASHINGTON, Dec. 27 (Friday)—(AP)—George E. Allen declined to comment today on a published report that he has resigned as a director of the Reconstruction Finance Corporation.

Allen, dressed in a bathrobe, came to the door of his hotel apartment early today in response to a reporter's knock.

"I have no comment to make," Allen said.

"And you can tell your readers I got out of bed to make it."

In a copyrighted story by its Washington correspondent Thomas F. Reynolds, the Sun said announcement of the resignation "will come from the White House in a few days."

The article continues: "The resignation came only after Allen had obtained a 'release' from Mr. Truman and assurance that his services would be available in the future for assignments in which the president is especially interested."

"The resignation, it was understood, will become effective on January 22—the first anniversary of the date on which Allen's nomination (as RFC director) was sent to the senate by the president."

In Washington, Allen could not be located immediately for comment.

Some close friends of the RFC director, who also is a director of numerous private corporations, expressed surprise when told of the Chicago Sun's story. They said Allen had not told them of any plan to resign his government post.

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Butter Price Drops 9-10 Cents Pound In Eastern Stores

(By The Associated Press)
Cracks in the high price structure for many cost of living items suddenly appeared in major cities across the country yesterday.

One of the sharpest breaks came in the New York and Chicago wholesale butter markets. Prices tumbled in New York from one to 10 cents a pound. The drop in Chicago ranged from two to six cents.

Much of the mystery surrounding the break in New York, where charges of "rigging" had been heard, was removed late yesterday. The Dairymen's League Cooperative association said in a statement that it had been active in the butter market in order to keep prices up and thereby "protect" present milk prices.

The decline in wholesale prices brought an immediate drop of nine to 10 cents a pound in some of the principal chain stores in the east.

Egg Prices Decline
Egg prices likewise dropped sharply in a number of places, brought by a wholesale decline of more than five cents a dozen in New York.

Simultaneously, a cross-country survey by the Associated Press showed that many of the big department stores in major cities had slashed some clothing prices by from one-third to more than 50 per cent.

Some grocers were audible when housewives compared the new sale prices with those they had paid only two days ago.

In Chicago it was learned at retailers' association there are now looking for pronounced general reductions in food prices in February and have been urging their members to get rid of their present stocks.

Cities Report Prices
Current reductions in some food prices were reported in New York, Chicago, Boston, Philadelphia, Atlanta, Kansas City, Los Angeles and San Francisco.

Shortly before the Dairymen's league reported it had been supporting butter prices, the New York City consumers' council, claiming to represent 186 organizations and 500,000 consumers, telegraphed Attorney General Tom Clark demanding "an immediate investigation and prosecution for the parties responsible for this flagrant violation of the anti-trust laws."

N. Y. Milk Price Set
The New York milk price is set by the department of agriculture's milk marketing administration on a formula that takes into account the price of top grade butter and skimmed milk powder for a 30-day period. This month expired on December 24 and the price for January was set at \$5.46 a hundredweight, unchanged since November.

The statement by the Dairymen's league, which claims to represent 26,000 milk producers in the eastern area, declared that "purchases of butter" by the league "were made to prevent a threatened decline of 22 cents a hundredweight in the January price of milk." It estimated this had resulted in a loss of around \$600,000 to dairy farmers in the New York milkshed.

Egg Price Falls in Portland Market
PORTLAND, Dec. 26 (AP)—The price of eggs fell 1 to 3 cents a dozen in several groceries today, reflecting an equal price drop in wholesale circles here and a sharp fall in eastern and midwest markets.

The lower rates were expected to spread to other stores tomorrow. Butter, was quoted 3 to 4 cent lower on the wholesale market late today, will probably also be a little cheaper for housewives.

Bus to Change Route Pending Bridge Repairs
The Capitola bus, on that part of its route between Union and D streets, will traverse Cottage street instead of Church, pending repairs to the Church street bridge, it was announced by Oregon Motor Stages last night.

Weather
Salem Max. 43 Min. 39 Precip. 19
Portland Max. 39 Min. 33
San Francisco Max. 49
Chicago Max. 34 Min. 23
New York Max. 44 Min. 30 trace
Willamette river 2.6 feet
FORECAST (from U.S. weather bureau, McNary field, Salem): Cloudy today and tonight with occasional rain showers. Highest temperature 44. Lowest 33.