

Local Milk Prices to Drop One Cent Per Quart Today

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IT SEEMS TO ME

By Charles F. Sappington

This news from the Wall Street Journal:

LIMA—A dollar famine has struck this elevated edge of the world.

Pain and excitement are evident in Peru, as in neighboring Chile, Ecuador and Bolivia. U. S. exporters eager to supply wares to the millions who compose this market are increasingly thwarted.

Peru's dollar deficit is perhaps less significant for its own sake than as part of a global situation. The United States is importing far less than it is exporting; there should be no surprise that other nations run out of dollars.

Exports from the United States during 1947 will run from \$16 to \$18 billion while imports are estimated at \$8 billion for the year. This leaves a gap of \$8 to \$10 billion. That is why there is a dollar famine in Lima and why other countries are scrambling for dollars to use in paying for goods.

The pinch is sharp because importers have bought goods expecting to have U. S. dollars to pay when the goods arrived. Now docks are piled high with the goods while local importers sweat to get hold of exchange.

This dramatizes the coming crisis in world trade, which appears to be going through the same pattern as post-World War I. A world is hungry for U. S. goods but lacks the means acceptable to Americans to buy them.

The present gap between exports and imports will be covered this way: part by U. S. loans and contributions which will run into billions; part by use of credit balances in New York or transfers of gold; part by spending abroad by Americans. This is a similar formula to what was followed after the first World War. But eventually both the government and private lenders wearied with lending to foreign creditors; gold supply was not adequate to balance the purchase accounts. In this country surpluses piled up, prices went down. Central Europe collapsed under its burden of

(Continued on Editorial Page)

India Arms as Tension Grows

NEW DELHI, May 31 (AP)—Reliable but unconfirmed reports of gun running, troop movements and religious communities arming themselves for conflict spread here today on the eve of the most momentous weeks in India's history.

On Monday Lord Louis Mountbatten, Britain's last viceroy in a century and a half of rule, will disclose to India's political leaders his majesty's government blueprint for transferring power to the Indians.

Since it became known the British blueprint would be impacted June 2 tension has been rising. Reliable sources said gun running has grown up from Burma and Afghanistan. Jeeps have been purchased in large numbers and driven into Indian states. Large collections of arms were reported being made in some of the princely states.

Truck Kills Woman Crossing Highway 99-W

McMINNVILLE, Ore., May 31 (AP)—A truck struck and killed Mrs. D. M. Bryan, 55, Lafayette, last night as she crossed the highway 99-West from her parked car to a truck stand near the Dayton junction.

State Patrolman James Burns said the truck driver was Robert Fisher, Hubbard.

HEADSTART FOR JUNE

The number of prospective June brides was increased considerably Saturday when, after holiday closure of the county clerk's office, seven marriage licenses were issued during the morning.

Animal Crackers

By WARREN GOODRICH

"We musn't remark about others' looks, dear... perhaps we are grotesque to them, too."

17 Cents New Price In Salem

Salem's milk and milk products prices dropped today following a new minimum price scale issued by State Agriculture Director E. L. Peterson Saturday after a recent nine-day hearing in Portland.

Eighteen-cent milk is 17 cents per quart as of today, A. R. Hurlburt, division manager of the Dairy Cooperative in Salem, declared, commercial cream fell from 21 to 16 cents per half-pint and whipping, formerly 34 cents per half-pint, is now 24 cents. Skim and buttermilk is 11 cents per quart.

Portland Prices to Fall

Hans (Curly) Hofstetter said that prices of Curly's Dairy milk products would follow the same trend. Portland prices were predicted to approximate the same level.

Peterson's order has no direct bearing on the newly reduced prices, as he raised the minimum price from 15 to 17 cents per quart on milk in the Portland area only. However, Salem prices generally follow the Portland trend. Previously milk has been selling at 3 cents above the minimum or 18 cents.

The 17-cent price is based on milk testing 3.5 per cent butterfat. The ruling also requires that 5 and 10 per cent-milk and heavy cream shall have the minimum butterfat content stated on the label or the cap.

New Payment Basis

Payment to producers by distributors will be \$1 per pound of butterfat plus \$1.50 per hundredweight of milk. The butterfat content-solid payment basis will supplant the former fat pay basis.

Peterson squeezed the additional charge for homogenized milk and for milk with special caps and denied a request to differentiate between store-purchased and delivered milk prices.

Automobile Tops Plane as Holiday Killer

The violent death toll in the nation's three-day Memorial day observance swelled to at least 277 Wednesday as the automobile assumed its customary role as the chief killer.

Highway deaths rose to at least 114 after having been pushed temporarily into the background by major airplane crashes that took 84 lives in New York and Maryland. A total of 38 drowned and 31 others lost their lives from miscellaneous causes attributed to the holiday observance.

Oregon's two fatalities resulted from a motorcycle accident in which Jerome Lucas of Salem was killed and a truck-pedestrian accident near Dayton in which Mrs. D. M. Bryan, Lafayette, was fatally injured.

The over-all count of fatalities indicated violent deaths would exceed the 292 toll in last year's four-day Memorial day holiday.

After Hours Ordinance Held Unconstitutional

PORTLAND, Ore., May 31 (AP)—This city's "after hours" ordinance, which allows a 15-hour curfew, was ruled unconstitutional today by Circuit Judge Alfred P. Dobson.

The ordinance forbids anyone "without lawful business" to appear on the street after midnight. Judge Dobson ruled that allowing arresting officers to determine what is "lawful business" is a violation of the 14th amendment guaranteeing due process of law.

15 DIE IN TRAIN WRECK

PEIPING, Sunday, June 1 (AP)—The newspaper Hsin Min Pao said today 15 persons were killed and 22 injured when a train on the Peiping-Mukden railway struck a communist-laid mine north of Lutai, 35 miles northeast of Tientsin.

TORNADO CRUSHES TOWN OF 600

Dry May Sets New Record

By Ed Lewis Staff Writer, The Statesman

Salem has withdrawn its way through the driest month of May ever recorded here and a hot one, too, which caused great damage to the year's crops in the Salem area and in the valley, McNary field, U. S. weather bureau reports. May, 1920, with 25 inch, was the runner-up dry month.

Only .18 inch of rain fell last month, .14 of it on the 31st. .01 on the 8th and the 29th and .02 on the ninth. Prevailing winds were northerly, not strong.

Strawberry damage mounted to 30-40 per cent, spring grain 25 per cent and expected flax yield was dropped about 25 per cent because of intensive heat and rainfall lack. Cherries and prunes were not affected as were the other crops, the weather bureau said.

Unusually high temperatures were highest on the 23rd, when 93 degrees was recorded. Previous hottest May was 94 degrees on the 13th, in 1939.

The mean monthly temperature was 60.06, compared with 56.3, the normal mean. A very dry daily maximum was 75.2 and the minimum average was 46. Coldest temperature was 36 degrees on the 10th.

There were eight clear days, 13 partly cloudy and 10 cloudy days in May.

Scattered light showers were forecast for all of Oregon today by the weather bureau but were not expected to greatly interfere with farm work.

Salem Accident Victim Dies

Jerome Allen (Jerry) Lucas, 19, who lived on route 8, box 1030, in the Keizer district, died at 6:46 a. m. Saturday in Salem General hospital without regaining consciousness after what state police said was a 234-foot skid on his motorcycle some 15 hours previous on Friday afternoon about three-quarters of a mile north of Salem.

He was the son of A. J. Lucas of the Keizer district and of Mrs. John Stettler of Salem. A brother, Donald, of Salem, also survives.

The attending physician said Lucas incurred a cerebral concussion, skull fracture and an intracranial hemorrhage.

The funeral is being arranged by the Howell-Edwards chapel.

Veto Would Kill Tax Cut for Year, Sen. Taft Avers

WASHINGTON, May 31 (AP)—Senator Taft (R-Ohio) said today that if President Truman vetoes the tax reduction bill congress is expected to pass in final form next week, that action probably will kill any income tax cut for this year.

But the senator told a reporter: "I don't see sense in a veto, unless the president does it out of pure stubbornness. We are going to have enough surplus to take care of tax reduction and make a payment of at least \$2,000,000,000 on the debt. From a political standpoint, even if there were a deficit, the president could blame it on the Republicans."

Smouldering Wreckage of Eastern Airlines Transport Plane



PORT DEPOSIT, Md., May 31—Fifty-three persons, one of them an infant in arms, were killed near Port Deposit, Md., in the crash of an Eastern Airlines DC-4 transport plane. Sailors from Bainbridge Naval Training center are shown searching the smouldering wreckage. (AP Wirephoto to the Statesman.) (Crash roundup on page 2.)

Welfare Aid Reduction for State Expected

PORTLAND, May 31 (AP)—The state welfare commission today slashed general assistance and old age allotments and divided its biennial funds into two shares—85 per cent to be spent for the fiscal year beginning July 1 and 15 per cent in the following year.

Commissioners said they expected an increase of welfare recipients so that general assistance payments will decrease from \$87 to \$45 monthly and old age assistance from \$42 to \$40 monthly. Payments for dependent children and the blind would remain unchanged.

The biennial funds, as established by the state legislature, are expected to total approximately \$20,495,550 with \$7,026,429 of the total coming from the federal government.

Amounts budgeted for counties next year included: Marion \$1,331,000.

Midwest Drought Return Forecast

WASHINGTON, May 31 (AP)—The agriculture department today warned that destructive droughts and dust storms will return to the Great Plains sooner or later, probably within five years.

When they do come, they are likely to be more severe and more destructive, the department said, in a bulletin issued today.

Aggravating the danger, the bulletin said, is the fact that many farmers are plowing up sod to grow wheat at present-day advantageous prices.

Weather

	Max.	Min.	Precip.
Portland	67	56	.25
San Francisco	66	57	.07
New York	79	64	.06
Chicago	71	50	.06

FORECAST (from U. S. weather bureau, McNary field, Salem): Cloudy today and tonight with a few light scattered showers. Little change in temperature with highest today 50. Lowest tonight 30. Weather will be favorable for dusting and spraying this morning but winds will be too strong for dusting in the afternoon. Showers will not seriously impede farm work.

Communists 'In Control' Of Hungarian Cabinet

BUDAPEST, May 31 (AP)—Appointment of Pro-Communist Lajos Dinnyes as prime minister succeeding the ousted Ferenc Nagy was announced by the cabinet today and a terrified Hungarian official said it meant the soviet army would now be invited to train and equip Hungarian troops.

The high official, who cannot be named because he said he himself faced exile or arrest for his views, declared the communist party was now "in 100 per cent control" and expressed the fear that "Hungary is lost as far as the west is concerned."

Another official who had just come from a cabinet meeting announced orally that new general elections would be held in September — elections which anti-communist politicians said probably would be held under laws guaranteeing sweeping left-wing victories and clinching the bloodless communist coup.

Action Condemned

WASHINGTON, May 31 (AP)—Officials predicted today the United States will take the strongest possible political measures to condemn and, if possible, modify what some privately called Russia's "bare-faced grab" of the government of Hungary.

Some economic measures, also may be employed. It appeared unlikely that the United States would be able to accomplish much, however, since Hungary is occupied by soviet troops and completely in the soviet zone of domination in eastern Europe.

Truman Signs Relief Measure

WASHINGTON, May 31 (AP)—President Truman signed the \$350,000,000 foreign relief bill today and dug further into the work that piled up while he visited his ailing mother in Missouri.

His schedule is now so heavy, Presidential Press Secretary Charles G. Ross said, that the once-projected summer vacation in Alaska has been dropped.

The relief act signed today authorizes assistance to Italy, Greece, Hungary, Austria, Poland, China and Trieste.

Simultaneously, the president issued an executive order vesting his authority over the funds in Secretary of State Marshall.

Liquidation of Veteran Salem Firm Effected

The weekend moving among ground-floor tenants of the Guardian building completed more than a shuffling of desks and apportionment of office space. With it comes announcement of the liquidation of the veteran Hawkins & Roberts, Inc. business and the continuance of its former departments under independent ownerships.

The building has been altered to meet the requirements of tenants under the rearrangement, and Monday will see the several businesses operating in their permanent quarters.

In the change, the former departments of Hawkins & Roberts become independent under the following ownerships: Becke & Wadsworth, general insurance; Charles A. Evans, farm loans, representing Prudential Insurance Co.; A. A. Larson, real estate. They will occupy space as formerly at 402 State st. T. A. Roberts, who was vice president of the corporation, will also have his desk there, but will devote his time chiefly to management of his own properties.

Coal Contract Talks Collapse

WASHINGTON, May 31 (AP)—The threat of a new nationwide soft coal strike became heavier today as contract talks between John L. Lewis and 75 per cent of the operators collapsed over a 35-cent an hour pay rise demand.

The break-up of negotiations heightened the prospect that a mine walkout July 1 might provide the first test of new legislation to deal with national emergency strikes and curb union activities — if President Truman signs it.

Miller Store to Open in Albany

ALBANY, May 31 (Special)—The Ferguson Men's and Women's Wear stores at 301-5 W. 1st st. here, will open as the newest unit of the expanding Miller Mercantile company Monday.

Purchase by the Portland firm was announced this week by Mr. and Mrs. Robert O. Ferguson, who opened the men's store nearly nine years ago and merged it with the women's wear store when the latter was acquired from Mrs. Dena Sternberg in 1941.

The Ferguson's will continue to operate their Workmen's Clothing store at 420 W. 1st st. Manager of the Miller store will be Carl Miller, formerly of Forest Grove.

Gadwa Second in Toastmaster Talk

SPOKANE, May 31 (AP)—Edward F. Harris of Spokane won the Pacific northwest zone speech contest of Toastmasters International tonight and will enter the national finals August 12 at Minneapolis.

Dr. M. E. Gadwa of Salem, Ore., finished second and will be an alternate to the national finals. Other contestants tonight were Charles Bryant of Tacoma, Graydon W. Smith of Twin Falls, Idaho, and George D. Anderson of Great Falls, Mont.

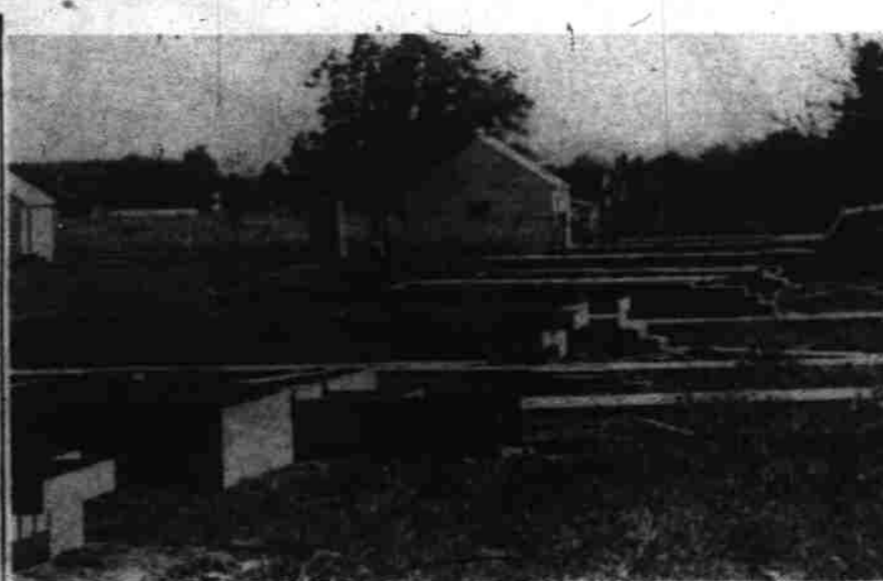
Our Senators

Won 7-5

Pasture East of State Fairgrounds Bursting Into New Residential Section



New residential areas blossom in the fields east of the Oregon state fairgrounds as new homes are built. In the above picture are two new houses being built by A. G. Hamilton on Lansing avenue off Rollins avenue. Seven houses already have been finished by Hamilton and more are being planned.



Foundations and flooring for 15 new houses are shown above in different stages of construction at another Carl B. Damaske project is started on Elsher road at Sunnyview avenue. Damaske, head of Progressive Builders, has just finished 42 houses in another area on Sunnyview avenue. The current project may be expanded to 40 houses.



Lansing avenue are new homes of the type shown in the above picture being constructed by P. W. Harcourt, Salem contractor. Part of a large project, the house shown above will soon be finished. Other homes built by Harcourt on Lansing avenue are already occupied. (House photos by Don Dill, Statesman staff photographer.)

Barren fields and pastures east of the Oregon state fairgrounds have suddenly become prime residential areas during the last two years.

Carl B. Damaske, head of Progressive Builders, aided in the housing expansion by building 42 houses on Sunnyview and Park avenues and recently began construction of 15 houses on a 10 acre tract on Fisher road off Sunnyview avenue. The houses will be modern in design with five rooms and unfinished upstairs. All are built on a sort of mass production basis without neglecting individuality.

Two other contractors building in the area are P. W. Harcourt and A. G. Hamilton.

Lansing avenue, branching off Rollins avenue, is being surfaced with blacktop and is keeping pace with the line of houses marching out into the fields.

Harcourt and Hamilton will build fewer homes than Damaske, but each house will have a different design.