

As prices go higher and living costs commence to pinch, more grumbling is noted. A little more price hiking and consumers really will rebel. Just now a considerable debate is going on over "who killed Cock Robin?"-just who is responsible for present high price levels.

Politicians like to play with this one. The blame, like a shuttlecock, is batted back and forth between political opponents. Republicans blame high prices on the Truman administration; democrats blame it on republicans. The simple fact is, however, that you cannot borrow \$250 billion and dump it into our economy without a price inflation. Where the supply of money and credit accumu-lates faster than capacity to pro-duce the result is inflated prices In Home until production gets into balance, or until the surge of excess money spends itself.

The government itself bears heavy responsibility for the price inflation. In the pre-war period clamps were put on prices but not on wages or prices of farm products. The government itself helped shoot wages up in its muster of men for defense plants. With wages and farm prices free wheeling for a year it never was posoff inflation.

ministration is an early readiness ters. Mrs. Edna Hill, 31, Shady to toss controls overboard, like Cove, died Monday night of burns building in the fall of 1945. The suffered when she used gasoline in president

(Continued on Editorial Page)

# **2nd Cease-Fire** Free E. Borneo

LAKE SUCCESS, Aug. 26 .- (AP) -The security council ordered The settling their dispute.

The Indonesians promptly said this was a "good thing." The Dutch said the cease-fire order could not be observed if the republic continued to "incite the Indonesians to murder the Dutch and burn houses.

It was approved by 10 nations. with Britain abstaining.

BATAVIA, Java, Aug. 26 .- (AP)-



NINETY-SEVENTH YEAR

By the Associated Press Fire joined highway accidents Board Prepares Tuesday in skrocketing Oregon's violent death toll to at least 17 since early Sunday.

Burned to death as they slept sible to hold a rigid line to stave in their home north of Newberg early Tuesday were Mrs. Ralph Charged against the Truman ad- Marple, 27, and two small daugh-

trying to start a fire in a stove at her home near Medford. Also burned to death Monday was George P. Meinhardt, 37, as he slept in his Portland apartment. Mrs. Ardyth Thompson, 40, of Gibbon, died Monday night of in-Ordered; Dutch juries suffered in a crash at Ka-mela Thursday, boosting the state's juries suffered in a crash at Katotal to 11 for the Sunday-Monday period

A sawmill accident at North Bend snuffed out the life of John "Jack" Jansen, 57, mill superin- Moody, was absent because of illtendent for the Coos Bay Logging company. As he approached a Netherlands and the Indonesian fuel "hog" - fast-spinning steel republic again today to cease fire drum used to grind slab wood in Indonesia and clear the way for waste-it shattered and pieces pierced his chest. Workers said it had been out of balance and he

was approaching to inspect it. Two persons were critically in- the board's agenda. Board memjured in the fire at the Marple bers indicated, however, that they home near Newberg. The father, would hear all worthy cases if burned in escaping the blazing through the rent ofice.

house after first throwing a daughter, Ireta, 7, from a window. new board's recommendations will bureau, Associated Credit Bureaus She, too, was taken to a hospital amount to final order to the rent of America. In 1938-39, he cited, righting continued along the Java in critical condition. Patsy, 5, office so long as they are within bankruptcy and liquidation caused

ness.

**10 PAGES** 

**Policy**, Cases

county and West Salem.

A board of Salem citizens

Tuesday night brought within lo-

cal administration the federal rent

control over Salem defense rental

area which includes all Marion

temporary chairman for the citi-

zens' advisory board, and Eliza-

beth Lord, Robert F. Lowe and

Floyd Wilson were sworn in as

members by E. Daryl Mabee, Port-

land, rent director for the eight

Oregon rent areas. Fifth member

of the local board, Ralph E.

The board's first official deci-

sion was to process cases of rent

dispute and general policy only

after the local rent office, headed

cision (in cases of rent adjust-

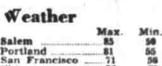
Homer Smith, sr., was elected

The Oregon Statesman, Salem, Ore., Wednesday, August 27, 1947

1851

The Oregon Statesman

FOUNDED



Price 5c

50 55 58 68 55 .00 Portland San Francisco Chicago New York Willamette river: -3.8 feet. FORECAST (from U. S. weather bu-reau, McNary field, Salem): Continued fair today and tonight with little change in temperature. Highest today 80 to 85 degrees, lowest near 30. Aft-ernoon winds will interfere with dusting, otherwise weather will be favor-able for all farm activities.

No. 130

Precip

# **19 Republics Agree on Joint Defense Action** Kurds and Red Army Near Border, Says Iran

TEHRAN, Iran, Aug. 26 -(AP)-

# Local Merchants Prepare Oil Agreement To Combat Inflation In Parliament When Credit Control Off For Debates

#### **By Conrad Prange** Staff Writer, The Statesman

The Iranian parliament was ready today to take up the controversial After November 1 Salem shoppers will find relaxed credit con- Soviet oil agreement as Iranian trols, may encounter slightly in-creased prices and probably will that "10,000 Barzani Kurdish open a lot of new charge ac- tribesmen, backed by the red counts, it was predicted here army" were assembled in Soviet Tuesday by local merchants and Azerbaijan on the northwest frontier. credit finance agencies.

"This may be another move in Installment buying controls on such items as household appli- a Soviet war of nerves on the eve ances, furniture and automobiles of parliament's consideration of

will be dropped on the first of the Russo-Iranian oil agreement." November under a bill signed re- said one high diplomatic source. cently by President Truman. Ex- The oil agreement, signed by isting controls, which will con- Prime Minister Ahmed Qavam in tinue until that date, were insti- April, 1946, while Soviet troops tuted in early wartime under eco- still were occupying northern

nomic control authority within Iran, granted Russia oil concesthe trading-with-the-enemy act. sions in five northern provinces Fearful that ending of the con- with Russia receiving 51 per cent trols may create a credit war of the shares for the first 25 years. The oil agreement already is among merchants, local tradesmen are cooperating with the Sa- the center of a political and diplem Retail Credit bureau in in- lomatic battle and many members stituting voluntary credit controls. of parliament have expressed the Controls Voluntary opinion it will be defeated.

Prime Minister Qavam has pro-In an attempt to prevent customers from pyramiding their posed to the Russians that the credit beyond their ability to pay, agreement be re-drafted.

more said.

merchants and credit men are proposing individual regulation of down payments and time-to-pay. Most merchants welcome the end by Clare A. Lee, has made its de- of installment controls, but some of them fear the "inflationary ment) or has placed the case on consequences." "When individual credit is turn-

ed from a matter of convenience into a tool of competition by eager Ralph Marple, 30, was seriously such advance notice was given merchants, then both merchants

and customers suffer," said Fran-Director Mabee stressed that the cis Smith, manager of the Salem T514 at the Salem airport, local

Ground-breaking is now underway at Fairgrounds road and Hunt street for the long-contemplated Hollywood district bank. Picture here shows the bank site, looking through the lot toward the Reimann sheet metal shop across Fairgrounds road. Bank will go up on far side of lot as here shown, facing Fairgrounds road, with parking area in foreground of picture. At work digging foundation trench in background are Otto H. Heinke, 3875 Center st. (left) and W. C. Howard, 3810 Center st. (Photo by Don Dill, Statesman

### **U.S. Continues Work** In Balkans' Problems **Tsaldaris Would Bulgarian Courts**

**Yield to Neutral** 

WASHINGTON, Aug. 26 .- (AP)-Handed another Russian rebuff, mier-designate Constantin Tsal- sideration. the United States today turned to daris conferred for 45 minutes to-Thursday at 8 p.m. in building new measures in last ditch fight night with U.S. Ambassador Lin-

## Ground Broken for New Bank Security Area Includes from **Pole to Pole**

QUITANDINHA, Brazil, Aug. 26 -(AP)- Nineteen American republics agreed today to fight jointly against any armed aggression occuring in a western hemisphere "security region" extending from the arctic to the antarctic. The proposal, sponsored by the United States, was accepted un-animously by the delegates to the full inter-American conference committee on aggression and enforcement of measures after a 14nation subcommittee approved it earlier.

#### 2 Nations Out

The only nations not voting on the agreement were Nicaragua, which was not invited to the conference, and Ecuador, whose conference status now is in doubt because of the week end change of government by coup d'ete.

Delegates said approval by the full committee meant that its adoption by the plenary session of the conference was a foregone conclusion.

Under the agreement, the American nations will rise to immediate defense of the hemisphere if any attack occurs within the security region.

#### **Canada** May Join

Speculation arose among some delegates that Canada might join in the treaty in view that Canada was included in the "security region."

The full committee approved four of the nine articles which a ATHENS, Aug. 26 .- (AP)-Pre- subcommittee offered for its con-

They are: Automatic assistance by all to prevent Bulgaria from execut- coln MacVeagh on the Greek gov- American nations when one of Later it was re- their number is attacked ported unofficially that the popu- Determination by Individual list leader indicated he would step states to help the attacked nation plain to reporters that urgent ef- down in favor of a neutral pre- on an emergency basis. Holding of immediate consultato Liberal Leader Themistokles tions to examine what has been done and what more should be Sources close to Tsaldaris said done to assist the attacked nahe offered to comply with "what- tion. ever the American government Holding of consultations when the "territorial integrity., sover-The meeting with MacVeagh eighty or political independence followed reliable reports that the of any American state is affected" U. S. government in Washington by aggression which is not an had expressed concern over the armed attack or by any threat of ment to an American plea for de- delay in solving the crisis and had aggression or conflict or by any urged speedy formation of a new other "factor or situation" that might endanger peace in the day voted to expel all the agrar-ian deputies and dissolve Petkov's the 86 - year - old Sophoulis met Territory Widespread **Territory Widespread** A Guatemalan move to have the face to face at a conference with treaty operate against "totalitar-MacVeagh, but Sophoulis blocked ian regimes" and "fifth column formation of a broad coalition activities" was defeated in a comgovernment desired by the United States with an uncompromising mittee vote. demand for the premiership and The vast "security region" rejection of a proposed appointwould embrace the North Ameriment of a neutral premier. can and South American continents, Canada, Greenland, Alaska, the Falkland islands, South Ork-**Price Upped** ney islands; the south polar region (Antarctica), the Sandwich and South Georgia Islands of the antarctic and a 300-mile sea belt encircling both continents and taking in strategic island possessions of the American nations.



The second organizational meeting to activate a naval reserve unit in this area will be held

staff photographer.)

# **Russians 'Trust'**

tablishing the self-governing territory of East Borneo,

West Borneo and East Indonesia already have been set up as self-governing territories by the Dutch

The new territory embraces the whole eastern section of the great island of Borneo.

**Fair Weather** To Continue; Midwest Cools

Continued fair weather for today, with the highest temperature between 80 and 85 degrees was forecast by the local weather bureau Tuesday night. The maximum temperature Tuesday was 85 degrees. Some fog or cloudiness may be expected in the early morning.

PORTLAND, Aug. 26-(AP)-Humidity prcentages clung to below the 30 per cent level considered hazardous in some western Oregon logging areas today but the weather bureau forecast cooler temperatures tomorrow and easing of the fire danger. Salem's reading was 27 per cent.

By the Associated Press

Rains appeared to have ended for at least a day over the midcool air gave the hard-pressed river. crops and populace a welcome relief from heat and drouth.

#### PRICE HEARINGS DUE

WASHINGTON, Aug. 26-(AP)-The joint congressional economic committee announced today that one of its sub-groups investigating the high prices of consumer goods will hold public hearings in six western cities, including Portland, beginning in October.

Animal Crackers By WARREN GOODRICH



set Hut."

United States of Indonesia by es- ing in the basement, was out of trol and administration on a local control when firemen arrived. A level.

train crew saw the flames and turned in the alarm.

that destroyed the house. Her husband, Floyd Hill, and five childirect to Washington, D. C., on dren escaped uninjured

**New Toll Span At The Dalles** second week in September. **Before Board** 

PORTLAND, Ore., Aug. 26-(AP) the Wasco county court in a report of the local rent office will be to the Oregon highway commis- board secretary.

sion that present traffic over the privately operated river ferry ustified the project. Col. R. A. Tudor, former U.S. Butter, Eggs justified the project. of 55 cents per vehicle would pay off a bridge costing \$1.800.000. army district engineer, said a fee The plan was taken under advisement.

mand by the Baker county cham-

the Oxbow dam by the Idaho and medium sizes. west corn belt, but comparatively Power -company on the Snake

Springs highway is at least two years away from completion, the

state highway commission told a Bend delegation. Engineer R. H. Baldock was directed to report at a subsequent one-sded margins in state political limits to the bridge intersection.

ission: Lincoln county, Waldport section of coast highway, .40 mile grade and widening, low bid by

### **Fire Guts Attic Of Food Market**

at the 12th Street Food market, Howard and 12th streets, Tuesday night. The market is operated by Ronald and Sam Blischke. The blaze was discovered by the Taft-Hartley act.

Mr. and Mrs. Clare Ridgeway as they drove by the store. City firequarters connected to the store. Considerable damage to stock all forms of dictatorship. was averted when firemen spread

"bucket brigade" line to move of his 14,000 super-skilled pattern furniture and produce from the makers. store.

and Sumatra fronts today and The and Nancy, 3, died with their the authorized scope of the 1947 a loss of about a quarter of a Netherlands took aonther step to- mother in the blazing four-room rent act in which congress estab- million dollars to Salem trading wards formation of a projected house. The fire, apparently start- lished the citizen boards for con- area merchants. He thought that overloaded in-

ventories would cause many local it is hoped that activation of the Mabee estimated 95 per cent of merchants to push sales via the unit may be accomplished, Gilboard work will concern opera- installment route. Increased pur-In the fire at Medford, Mrs. Hill tion of the rent office and "hard- chasing power through easier was the only victim. The gasoline ship cases." The board also may credit would have a tendency to stove exploded, showering her decide on the adequacy of local boost prices - at least until the with sparks and setting a blaze rent levels and issue a flat per- country is back in full produccentage increase or decrease action again.

#### cordingly,' and may recommend Cooperation Expected

"Most merchants can and will decontrol of the area or any part cooperate in regulating credit of the area. The board has no au- into sensible channels," he said. thority in eviction matters, now "However, merchants cannot regvested completely in local courts. ulate credit as a group or they The board expects tentatively will run afoul of the U.S. attorto meet twice a month with its ney general's decision of a year next session to be arranged for the ago that such group action is in restraint of trade.

months maximum. It was indi-

Salem business men agreed that

the over-all result of the dropped

controls would be increased pur-

With Mabee and Lee at the meeting were Rent Attorney Ray automobiles, the way is open for Alber of the Salem (and other dealers to go back to the pre-war Oregon) areas and Pat Martin, re- practice of small down payments A Columbia river toll bridge at gional officer of San Francisco and long contracts. Both automo-The Dalles was proposed today by rent headquarters. Viola Moriarty bile dealers and finance agencies lengthened to 24 months on new-

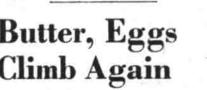
stand

scarcer.

accounts.

**CHURCH GROUP MEETS** 

with registration topping 150.



PORTLAND, Ore., Aug. 26-(AP) The commission refused a de- The price of butter and eggs were scheduled to jump on the wholeber of commerce to withdraw its sale market here tomorrow, butpetition to the federal power com- ter two cents a pound and eggs items, they felt, would become mission opposing construction of a cent a dozen for grade AA large

The boost will make butter to representative pointed out, Salem retailers 83 cents for grade AA has a great many fixed-income The short route from Portland to and 82 cents for grade A. Eggs state employes who may well central Oregon via the Warm jump from 71 cents a dozen.

Also extension of contracts on household appliances to 24 months ALABAMA AIDS SCHOOLS BIRMINGHAM, Ala., Aug. 26- and reduction of down payments (AP)-Alabama voters apparently to 20 per cent may halt the present drain on individual savings approved today by one of the most

meeting on a proposal from Sher- history a constitutional amendidan for widening the Salmon ment to divert income tax reve-River cutoff from the east city nues for school purposes. The measure earmarks an estimated Among bids opened by the com- \$7,500,000 annually for increased salaries of the state's 20,000 class-

### room teachers. D. F. McKenzie, Salem, \$41,645.

## Lynch Avers Affidavits **Create 'Czar' for Labor**

WASHINGTON, Aug. 26 -(AP)- put his pattern makers "under a Fire of undetermined origin The national labor relations board czar." This would come about, he -Two locomotives and several Fire of undetermined origin The national labor relations board gutted the front part of the attic today spurned a union effort to Robert N. Denham, NLRB general transient suffered a broken wrist a super-secret. throw out the type of non-com- counsel, that all 15 members of and cuts as a slow-moving west munism affidavit which it re- the AFL executive council must bound Union Pacific passenger quires of all union officers under sign. Otherwise the unions under train and a switch engine collided President George Q. Lynch of board's facilities.

the AFL Pattern Makers league men got the fire under control charged the government's form of Lewis, 13th vice president of the before it could spread to the low- affidavit follows "a totalitarian AFL, refuses to sign the com- PRESS PLANE HIT er floor of the store or the living technique" and offered a substi- munist disclaimer and that his KELOWNA, B. C., Aug. 26 of the AFSWP is Sandia base."

of goods. Neighbors formed a own for himself and the officers ber of the AFL council.

Lynch declared the plan would AFL council to say 'No'."

"You have created the oppor-

ing Nikola Petkov, anti-communnaval reserve unit chief. Lt Cmdr. Vernon Gilmore announced Tuesday. This will be the last

meeting until September 11, when continued

He reported a number of former navy men have applied since the first meeting a week ago, but said it seemed not to be known that membership of the unit is open to men within a 50-mile radius of the city. Communications men and engineers' officers are particularly needed. Lt. Cmdr. Roger Lasley, assist-

ant district director of the navy reserve, who is assisting in activation of units here and in Eugene, stated he feared misunderparty standing about the pay for re-With the lifting of controls on serve personnel. One drill per

week will be required of the men, he said. The per-drill scale, as reported by Lasley, is as follows: Apprentice seamen, \$2.50; seaman 2/c agreed that contracts should be \$2.67; seamon 1/c \$3; petty officer 3/c, \$3.33; petty officer 2/c, er models from the present 15- \$3.83; petty officer 1/c, \$4.50; CPO, acting appointment, \$5 cated, however, that the one-third CPO, permanent, \$5.50. The men down payment probably would are to be paid quarterly, Lasley

said. Both Gilmore and Lasley feel a second story hotel room window that vacancies will be filled rapid- in "sheer fright" early today and chasing. This, they felt, would over the 200 allotted billets on a fractured pelvis and spine inboost credit accounts, which have waiting list. A number of univer- juries.

already increased more in the Sa- sity students are expected to aplem area during the past year ply than the national average. Scarce defray expenses.



PORT ALBERNI, B. C., Aug. 26

(CP)-Business was all but par-MARINE DRILL TONIGHT alyzed in Port Alberni, center of the Vancouver island lumber industry, today as plans for an investigation of the Monday \$3,000,-

000 wharf fire were made. Federal Works Minister Four-FOREST GROVE, Ore., Aug. 26 nier in Ottawa said that "fullest (AP)-The fifth annual northwest possible investigation" will be

regional conference of Congregalaunched immediately. tional churches opened here today Offering the major loading facilties in the port, the big wharf was a twisted, charred mass of wood. The British freighter SS Sampep, severely burned before it could be towed from the wharf into open water, was the scene of

them would not be entitled to the near Rieth, west of here, early today. Cause of the accident was

ist opposition leader. The state department made it forts in Petkov's behalf will be mier, but would not yield the post

> Moscow rejected a direct appeal Sophoulis. by the United States and Britain for conferences on the case of Petkov, who was convicted of plotting against the new communwishes." ist regime. The Russians said

they have confidence in the Bulgaria courts. Meanwhile a formal reply is awaited from the Sofia governlay in executing Petkov.

cabinet. The Bulgarian parliament to-

Salem Woman Leaps from **Hotel Window** 

young Salem woman leaped from By Studebaker PORTLAND, Aug. 26 -(AP)- A that vacancies will be filled rapid-ly this fall, putting all applicants was taken to a hospital with a And Ford Cars

Dorothy Meyers, 21. whose adwhen school starts to help dress was believed to be 1179 Chemeketa st., was quoted by

police as saying she heard an altercation in the hallway outside her room, then two or more men Ford, which only last Sunday had tried to break down her door. She boosted listings on most of its cars went to the window and jumped. and trucks. Three men were arrested on

agrancy charges.

The marine corps reserve will Ford's increases on the Lincoln hold the first of its regular drill models ranged from \$148 to \$200; sessions after a summer layoff to- or the Mercury line from \$86 to night at 8 o'clock at the Salem \$226 and on the Ford station airport in building T514, Leonard wagons and convertibles from \$199 to \$229. Hicks reported Tuesday night.

'If' Bomb-proof Cavern Abuilding, It's Hush-Hush

WASHINGTON, Aug. 26 -(P)- five atomic bombs exploded up to If there are any "atomic war" de- now. Today's brief statement added: fense caverns under construction

in the New Mexico dessert, the this (Sandia) base fall into the drive for enactment of universal armed forces made it clear today category of restricted data under military training took shape today that they intend to keep all details the atomic energy act of 1946 and at meetings of several of the orare also classified military in-

trucks, \$5, and light trucks, \$85.

The war and navy departments, formation. pressed for information on pub-"Therefore, amplification x x x lished reports of huge caves beconsidered undesirable. This was the latest of several ing dug in a remote mesa between Albuquerque and the Sandia base developments indicating the inin New Mexico, would admit only tention of this nation to push forwhat was admitted a month ago: ward with atomic weapons until "The principal field installation and unless a plan for international

control is agreed upon: 1. The war-built atomic laboratute of his own which condemned union has withdrawn cases pre- (AP)- Ray Munro, Vancouver Sun AFSWP stands for "armed viously filed in regional offices flying photographer, reported to forces special weapons project." tory at Los Alamos, N. Mex., is The board rejected Lynch's idea of the NLRB," Lynch said in a police here today that Doukhobor A joint army-navy project charg- being expanded and converted canvas over counters and piles and sent him a new supply of its letter to Denham. Lewis is a mem- terrorists had fired on his plane ed with the development of atomic into permanent construction. as he circled Brilliant, B. C. One weapons, it is commanded by 2. The commission is establishbullet shattered the wing of the Maj. Gen. Leslie R. Groves, war- ing proving grounds somewhere tunity for any Gromyko on the plane. A second tore through the time head of the famed Manhat- in the Pacific for tests and explexi-glass top of the cockpit. I tan project which developed the periments with atomic weapons.

#### DETROIT, Aug. 26-(P)-The round of increases in new automobile prices was completed tonight. Studebaker announced increases which followed up the hikes anwhich followed up the hikes announced earlier in the day by

With many Salem area hop yards boosting their picking wage scale to between 31/2 and 5 cents The Studebaker increases were: per pound, the Salem farm labor Champion model, \$85; Commander office issued a call Tuesday for \$98; Land Cruiser, \$115, and heavy more hop and bean harvesters. Bean yards are in full swing with a bumper crop, Mrs. Gladys Turnbull, farm labor assistant, said. Virtually all bean and hop yards have camping facilities complete with nurseries and stores.

Tuesday the office sent 500 workers out to yards with 36 growers. Transportation to beau and hop yards are available each morning at 6 o'clock at the office.

#### Legion Plans Backing For Military Training

NEW YORK, Aug. 26-(AP)-Plans "Construction and operations at for an all-out American Legion ganization's committees preceding the 29th annual convention.



brief, outbreaks during the day. TRAINS COLLIDE

PENDLETON, Ore., Aug. 26-(AP)

"It is rumored that a John L. not immediately determined.