

Cotton Speculators Inquiry Points to Senator's Spouse



By Charles A. Sprague

After six months of hearings and mediation, the public utilities commissioner, George H. Flagg, has issued his order in the rate case of the Pacific Telephone and Telegraph Co. As expected, it carries approval of increased charges for most types of telephone service. In Salem the increases for exchange service are: \$1.25 a month for individual business phone, 75c for individual residence phone, 50c for two-party line phone and 25c for four-party line phone. On toll service there is readjustment rather than increase of charges. The estimated increase in company gross will be about two-thirds of what it petitioned for, and the estimated rate of return will be 5.5 per cent. Commissioners in Washington and California where the company operates but defends his position by saying that earnings here have previously been in higher ratio.

This is the first big rate case handled by the department for many years. One is impressed with how ponderous the proceeding is, and how technical. Flagg himself notes the difficulties in his accompanying statement. He says that the interrelationship of Pacific with its parent American Tel and Tel and the latter's manufacturing subsidiary, Western Electric, One can't help but wonder whether the prolonged hearings were of much value and if in the end the problem didn't become one for the commissioner's staff to figure out more or less independently of transcribed testimony.

News reports of reduced earnings and cut dividends of telephone companies showed a basis for the request for higher rates, but with the company officials declining to predict the earnings trend of the future the rate order, in spite of all the expert figuring can be nothing more than an intelligent guess. Commissioner Flagg has said, what he thinks is fair both ways. For the public there is nothing to do but accept the commissioner's verdict—and hope the company will not have to come back a few months hence, asking for a second hearing.

Districts Plan School Budget Meets Monday

All non-first class school districts in Marion county will hold public hearings Monday night on the 1948-49 budget. Meetings will be held starting at 8 p. m. in the various schoolhouses. Agnes Booth, Marion school superintendent and secretary of the rural school board, said Saturday.

This is a change from hearings on budgets in previous years because of the revision in the Oregon school law which puts all but first class district budgets under the direction of a county rural school board.

Notices of the various budget hearings have been posted in all school districts and members of the various school boards understand the regulations which apply for their respective districts. Mrs. Booth said Saturday. Only first class districts in the county are Salem, Silverton and Woodburn.

Senator Morse To Back Cordon

PORTLAND, Jan. 10—(AP)—Senator Wayne L. Morse promised today to support the reelection bid of his Oregon colleague, Sen. Guy Cordon.

Though the two are often diametrically opposed on national issues, Morse declared himself "very much pleased" that Cordon was running again.

Morse said the two work "as a cooperative team on all issues affecting Oregon and the Pacific Northwest."

"But before I could tell her the facts of life she was a grandmother."

Sen. Thomas Denies Knowledge of Wife's Financial Activities, Edith Silent

WASHINGTON, Jan. 10—(AP)—Listing of an "Edith Thomas" as a speculator in cotton futures prompted Senator Elmer Thomas (D-Okla.) today to disclaim knowledge of what his wife does with her money, but he volunteered that he had invested in income producing commodities.

The question of whether Mrs. Thomas had engaged in speculation was touched off by the inclusion of the name of "Edith Thomas, Washington, D.C." in an agriculture department list of 2,006 traders in cotton futures as of July 31, 1946.

The "Edith Thomas, Washington, D.C." was listed as holding 300 bales "long" in the market on July 31, 1946.

Senator Thomas was asked whether his wife, whose name is Edith, had been in the cotton market.

"She has her own money and I don't know what she does with it," he told a reporter.

Mrs. Thomas would not comment herself on whether she had been in the market.

There were fresh repercussions meanwhile in the senate investigation of whether administration insiders have utilized government information for private profit in commodity dealings.

Says Stassen Lied
Edwin W. Pauley, aroused by testimony which Harold E. Stassen, candidate for the republican presidential nomination, gave about him to an appropriations subcommittee yesterday, accused Stassen of "deliberate falsity."

Pauley in a telegram to Senator Ferguson (R-Mich.) asked the chairman of the subcommittee which is making the commodity investigation, for the right to cross-examine Stassen soon in person. Stassen had testified that Pauley had not told the whole story about his transactions in the futures markets.

Unander Seeks Treasurer Nomination

Sigfrid Benson Unander, Portland ex-executive secretary to former governor Charles A. Sprague and army veteran, announced Saturday that he will be a candidate for the republican nomination for the office of state treasurer in May's primary election.

Unander is now treasurer of the state central republican committee, member of the Young Republicans and a precinct committee man. During his term as executive secretary, Unander gained valuable knowledge of the workings of the state board of control. He conducted research projects on state institutions and studies of the retirement system, forestry, economic matters and agriculture.

A graduate of Stanford university, Unander earned a BA degree in political science and a master's degree from the Stanford school of business. He served four and a half years in the army, including 30 months overseas. During his duty he earned four foreign decorations and six battle stars for service in four major campaigns.

He is a member of the American Legion, VFW and is senior sergeant of the Military Order of World War II. As a distinguished marksman Unander placed 12th in the 1932 Olympic Games preliminaries. He is also a member of the Masons, Eagles and Alpha Tau Omega fraternity.

Will Forgery Charge Laid in Spinster Death

NEW YORK, Jan. 10—(AP)—A plot to obtain the \$300,000 estate of an elderly spinster-recluse by forging a will was charged against two men today and police said they also were investigating circumstances of the woman's death.

District Attorney Frank S. Hogan said a lethal quantity of barbituric acid was found in the body of Miss Mathilde Molsberger, 81, when her body was exhumed after relatives in Germany objected to prebure of the will against Fred Dresel, 53, superintendent of the apartment house where Miss Molsberger lived, was held in \$50,000 bail and Fred Lasch, 56, an undertaker, was held in \$25,000 bail on first degree forgery charges.

Hogan accused the men of forging a will on a blank sheet of paper on which he said Dresel had obtained Miss Molsberger's signature before her death. Dresel was to receive the bulk of the estate, Hogan said, paying one-fourth to Lasch.

Houses Creak in Tokyo Earthquake
TOKYO, Sunday, Jan. 11—(AP)—Houses and other structures creaked and quivered in Tokyo today as an earthquake shook the city and surrounding areas at 7:27 a. m. (2:27 p. m. Saturday, Pacific standard time).

Although widespread, the earthquake was light and first reports took of no damage.

The Oregon Statesman

FOUNDED 1851
NINETY-SEVENTH YEAR 22 PAGES The Oregon Statesman, Salem, Oregon, Sunday, January 11, 1948 Price 5c No. 248

Telephone Rate Raise Granted; Company May Seek New Boost

Feller, Spaniel Pup, Not Yet White-House Broken



WASHINGTON, Jan. 10—(AP)—"Feller," the Cocker Spaniel pup given to President Truman, looks dejected as he sits beside his shipping crate. Instead of living in the White House the pup has been boarding with the President's physician, Gen. Wallace H. Graham.

To Receive Training in Doctor's Home

WASHINGTON, Jan. 10—(AP)—"Feller" the cocker spaniel pup, tended as a White House mascot, hasn't made the grade yet.

The young pup was a Christmas gift to President Truman, but Brig. Gen. Wallace H. Graham, the White House physician, got the job of taking care of him temporarily.

Now Gen. Graham's children have become attached to the pup and don't look forward to the day when he may be transferred permanently from their home to the White House grounds.

Mihai Calls Off Romance with Princess; Politics Gets Blame

LAUSANNE, Switzerland, Jan. 10—(AP)—An aid to former King Mihai of Romania said today Mihai's expected marriage to Princess Anne of Bourbon-Parma is off, at least for the immediate future.

Nurses Gain 40-Hour Week

Twenty-five registered nurses of the Salem Memorial hospital will go on a 40-hour-a-week schedule today, the first time such a plan has been instituted in a hospital.

The hospital is one of the 40-hour week for graduate nurses, said Margaret A. Darby, superintendent of nurses.

Over a year ago, said Miss Darby, the Oregon State Nurses association recommended that graduate nurses be put on a 40-hour week. The schedule prepared by the Memorial hospital makes it necessary to employ only a few more nurses, she said.

Tight Defense Rings Mukden West Backs Morse For Demo Ticket

PORTLAND, Jan. 10—(AP)—Ex-Governor Oswald West, a democrat, told the democratic Jackson day dinner tonight that he approved of Oregon's republican Senator Wayne Morse.

"I like him," West said of Morse, "because he's ornery and rides horses." West suggested the democrats put Morse on their ballot.

In an earlier speech, William L. Jossin listed three men as possibilities for the democratic gubernatorial ticket: Marshall Dana, Oregon Journal editor; State Senator Lew Wallace; Austin Flegel, jr.; and Dr. Peter Odegard.

Community Property Income Tax Split Held to 75-25 Ratio for '47 Income

Married couples filing state income tax forms under the new community property law for the first time in March may not make a 50-50 division of their total income for declarative purposes because the statute was in effect only six months of 1947, the state tax commission said Saturday.

'Potatoes for Peace' Drive Nets \$3,000

Salem's "potatoes for peace" drive for the Northwest Christmas ship closed Saturday, with a \$3,000 higher figure than was anticipated a week ago but still short of the goal of a carload of dehydrated potatoes.

In addition to the cash on hand, which will purchase about three-quarters of a carload of potatoes, several donations of produce were received, as well as some cash earmarked for food such as milk.

Johnson expressed the committee's deep appreciation for the response of Salem residents to the campaign and especially to the "excellent work in the past week" by the schools, whose contribution totaled about \$250.

The committee will meet Monday at 4:30 p. m. in Elfstrom's store to complete transactions.

Natural Gas Firm Speeds Plan for Line

PORTLAND, Jan. 10—(AP)—The Oregonian quoted a Northwest Natural Gas company official today as saying his company was going forward with plans for a \$78,000,000 pipeline to bring natural gas from Alberta, Canada, to the Pacific northwest.

Richard B. Hand, New York, vice president of the company, wrote the newspaper that his firm was making arrangements for public financing, and negotiating with Alberta producing companies with gas reserves.

The dramatic denouement to the king's abdication and postponement of the romantic rendezvous was explained by Maj. Jacques Vergotti, Mihai's spokesman, who said a love "entanglement" right now could be used by Romanian communists to destroy his hopes of eventually returning to his throne.

Most persons in the entourage of the Prince of Hohenzollern, as 26-year-old Mihai is now known, have stressed that he abdicated for "political reasons" and not to "marry the girl he loves."

Romanian communists have appeared to be trying to give the impression Mihai was an unstable playboy, following in the footsteps of his father, former King Carol II, who once renounced his rights to the throne for romantic reasons.

The unhappy state of Mihai and Anne's love affair was disclosed when the Danish princess, looking pale and tired, got off the train at Liege, Belgium, in mid-Journey from Copenhagen to Lausanne, with her mother, Princess Marthe. She transferred to an automobile and said she was going instead to Luxembourg, where she has relatives. "For an undetermined period and have a little rest."

BRIDGES' LAWYER SHOT
SAN FRANCISCO, Jan. 10—(AP)—George R. Andersen, 47, attorney for Harry Bridges CIO waterfront workers, was shot through the right shoulder today in a struggle with two masked gunmen who invaded his downtown Montgomery street law offices.

Passengers Transferred From Russian Vessel
TOKYO, Sunday, Jan. 11—(AP)—All passengers, originally reported at 780, have been transferred to "other Russian craft" from the heavily-listering Russian ship Divina off the east coast of Hokkaido, the distressed ship radioed early today. The message specified that no further assistance was needed from United States craft.

Weather
Salem — Max. 48 Min. 35 Precip. 0
Portland — 47 30 0
San Francisco — 36 20 0
New York — 21 22 trace
Chicago — 34 22 0
Willamette river 19 feet at midnight.

Senators Request Aid Classified as Relief, Recovery
WASHINGTON, Jan. 10—(AP)—The state department agreed today, at senatorial requests, to calculate how much of the European relief program will be spent for "relief" and how much for "recovery."

The department's spokesman, Ambassador Lewis Douglas, also agreed with a senator's estimate that the United States may recover up to \$2,800,000,000 in loan repayments out of the \$6,800,000,000 which President Truman and Secretary of State Marshall asked to finance the first 15 months operation of the program.

DANIELS SAID WORSE
RALEIGH, N. C., Jan. 10—(AP)—The condition of Publisher Joseph Daniels of the News and Observer, close friend of four democratic presidents, grew worse tonight from bronchitis and complications. He is 85.

River Drops Below Flood Stage at Salem
The same Willamette river that flooded Salem with a 27.5 crest last Friday was flowing quietly at about 19 feet — one foot below flood stage — early today, but three Marion county ferries and several roads still remain on the casualty list.

County Commissioner Roy Rice reported Saturday that the Wheatland, Buena Vista and Independence ferries are all out of operation because of high water on their approach roads. Receding waters will soon put them back in operation, he indicated.

The Salem-Buena Vista road is still closed because a 90-foot bridge near Sidney school was dislodged by the flood. The road will remain closed until repairs can be made on the bridge and several sections of the highway which were washed out near Essen road, near Mt. Angel, is also closed, Rice said, but will reopen Monday if waters recede sufficiently. Spong's Landing road near Keizer was opened Saturday and several isolated families in the area now have exit.

The Willamette crested at Portland Saturday at 19.4 feet, nearly a foot and a half above flood stage, and then began receding. The Columbia river, swollen by the Willamette's flow, went a foot and a half beyond flood stage, too. But no damage was expected except the usual inundation of low pasture lands.

8 KILLED IN MINE BLAST

METZ, France, Jan. 10—(AP)—Eight dead men and 45 injured were taken from the Vuillemin coal mine here today after two fire-damp explosions at the 1,800-foot level. Sixty men were caught underground at the time of the blasts.

Important As Stalin?

Well, 200,000,000 Russian people certainly count for something and it's time we knew something about them.

That's what the New York Herald-Tribune thought when it sent John Steinbeck and Photographer Robert Capa to Russia. Steinbeck and Capa didn't bother with politics.

They went to Mr. and Mrs. Russian Joe Doakes, far behind the Iron curtain; to dances, to plays, to collective farms, to factories, to homes.

What they found will be reported in 15 gripping stories constituting the Russian Journal.

The Russian Journal will start Wednesday, January 14, in

an outstanding saga of the times. The Oregon Statesman