Cotton Speculators Inquiry Points to Senator's Spouse

and meditation, 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 residence service. 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. Commissioner Flagg states that increases approved are less than those granted in Washington and California where the company operates but defends his poaition 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, increased he says, by the interrelationship of Pacific with its parent Americal Tel and Tel and the latter's manufacturing subsidiary, Western Electric. One can't help but wonder whether the prolonged hearings were of Unander Seeks 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 teleintelligent guess. Commissioner tion. hope the company will not have man. asking for a second helping.

Districts Plan School Budget Meets Monday

ricts in Marion county will hold ing his duty he earned four forpublic hearings Monday night on eign decorations and six battle the 1948-49 budget. Meetings will stars for service in four major ministering the Anglo-American be held starting at 8 p.m. in the campaigns. various schoolhouses, Agnes Booth, Marion school superinten- can Legion, VFW and is senior dent and secretary of the rural commander of the Military Order school board, said Saturday.

on budgets in previous years because of the revision in the Ore- preliminaries. He is also a member but first class district budgets Tau Omega fraternity. under the direction of a county rural school board.

hearings have been gosted 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 Spinster Death 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

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

Animal Crackers By WARREN GOODRICH



"But before I could tell her the facts of life she was a grand-

Sen. Thomas Denies Knowledge of

WASHINGTON, Jan. 10-(AP)-Listing of an "Edith Thomas" as 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 pro-

lation was touched off by the inclusion of the name of "Edith agriculture department list of 2,006 traders in cotton futures as of

The "Edith Thomas, Washington, D.C." was listed as holding Arms Sent July 31, 1946. No Knowledge

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

"She has her own money and don't know what she does with 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 commodity dealings.

Savs 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 Provided For Militia 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.

I reasurer Nomination

phone companies showed a basis land, ex-executive secretary to for the request for higher rates, former governor Charles A. but with the company officials Sprague and army veteran, an-declining to predict the earnings nounced Saturday that he will be trend of the future the rate order, a candidate for the republican in spite of all the expert figur- nomination for the office of state ing can be nothing more than an treasurer in May's primary elec-

Flagg has done what he thinks Unander is now treasurer of the is fair both ways. For the public state central republican committhere is nothing to do but accept tee, member of the Young Repubthe commissioner's verdict — and licans and a precinct committeeto come back a few months hence, tive secretary, Unander gained valuable knowledge of the workings of the state board of control. He conducted research projects on

sity, 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, in-All non-first class school dist- cluding 39 months overseas. Dur-

He is a member of the Ameri-This is a change from hearings guished marksman Unander placed political unit. 12th in the 1932 Olympic Games

Notices of the various budget Will Forgery

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 circumalso 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 Mathidle Molsberger, 81, when her body was exhumed after relatives in Germany objected to probate of the will.

of the apartment house where ria. Miss Molsberger lived, was held in \$50,000 bail and Fred Lasch, 56, an undertaker, was held in \$25,000 ball on first degree forgery

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

Houses Creak in

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, Pacif- a 50-50 division of their total in- be declared by the husband or ac- or loss from sale or disposition of Although widespread, the earth-

quake was light and first reports It was felt even heavier in Yokohama, 17 miles to the south.

LINDBERGH BACK IN U.S. SAN FRANCISCO, Jan. 10-(AP)- time this week, but pointed out Since only the last 50 per cent is divided between the spouses. If Charles A. Lindbergh left here only income earned since the law by plane at 7 p.m. tonight for became effective July 5, 1947, is Chicago. He arrived Friday after subject to division between a tour of the Orient aboard Pan spouses.

Wife's Financial Activities, Edith Silent

The question of whether Mrs. Thomas had engaged in specu-

Judea

ASBURY PARK, N.J., Jan. 10-(A)-The Jewish agency for Palestine said tonight explosives seized near Asbury Park Thursday were 'legally procured" and were awaiting "legitimate shipment" to Palestine when discovered.

Meanwhile the last of a 199-ton consignment of war surplus exinformation for private profit in plosives which police said were earmarked for the Jewish forces in the holy land, was accounted for at the army's Seneca ordnance depot at Romulus, N.Y.

The Jewish agency statement, issued in New York, said "the Jewish agency for Palestine has the responsibilities of a state about to be born. It must protect the lives and homes of the 700,000 men, women and children of Pal-

"The U.N. decision (to partition the holy land) made no provisions for an international force, but did provide for a Jewish militia to defend the Jewish state and to maintain public security. It therefore devolved upon the responsible defense forces of the Jewish community of Palestine to rush preparations in a race against time in view of the threatened Arab aggression in defiance of the U.N. decision and the announced early withdrawal of British troops.

Legitimate Purchase "Accordingly, steps were taken to arrange for the legitimate purchase of war surplus materiel and equipment. To facilitate these purchases, the Jewish agency made dollar credits available. The materials found near Asbury Park on Thursday were, to the best of our knowledge legally procured to await legitimate shipment." At Romulus, N.Y., Lt. Col. Robert R. Judson, commanding offi-

cer, said the army had refused to

position C," composed of 90 per

cent TNT (tri-nitro-toluene) and

economic matters and agriculture. A graduate of Stanford university, Unander earned a BA de-Bi-Zone Plan

half again as devastating.

WASHINGTON, Jan. 10 -(AP) French objections to the latest instead to Luxembourg. British-American decisions on adzones of Germany may hamper Nurses Gain efforts of the western powers to consolidate all of western Ger- 40-Hour Week of World War II. As a distin- many into a single economic and

Evidence of French disapproval gon school law which puts, all of the Masons, Eagles and Alpha to set up a German administra- today, the first time such a plan without consulting the French, developed rapidly today not only in Paris but also in London and

French Ambassador Henri Bongovernment's protest with the ciation recommended that gradstate department early next week. uate nurses be put on a 40-hour

Tight Defense

NANKING, Sunday, Jan. 11 (AP) Generalissimo Chiang Kai-Shek flew to Mukden today for strategy Fred Dresel, 53, superintendent or wounded, in southern Manchu-

> nese government has that indus- ballot. trial city better defended than at took it over from the Russians. "Barring circumstances beyond

comes for declarative purposes be-

only six months of 1947, the state

Tax Commissioner Earl Fisher

announced that a full list of regu-

lations governing filing of 1947

returns would be published some-

tax commission said Saturday.

king's abdication and postponement of the romantic rendezvous Vergotti, Mihai's spokesman, who a quarter-century. said a love "entanglement" right

the Salem Memorial hospital will of the new Anglo-American move go on a 40-hour-a-week schedule tion over the merged British- has been instituted in a hospital United States zones, apparently here. The hospital is one of the first in the state to have the 40hour week for graduate nurses, for "political reasons" and not to

NINETY-SEVENTH YEAR 22 PAGES

said Margaret A. Darby, superintendent of nurses. Over a year ago, said Miss Darnet is expected to register his by, the Oregon State Nurses assoweek. The schedule prepared by the Memorial hospital makes it

necessary to employ only a few more nurses, she said. West Backs Morse For Demo Ticket

PORTLAND, Jan. 10 -(AP)- Ex-Governor Oswald West, a democonferences while his government crat, told the democratic Jackson was claiming a major victory, with day dinner tonight that he ap-40,000 communists reported killed proved of Oregon's republican Senator Wayne Morse.

"I like him," West said Direct from Mukden, Spencer Morse, "because he's ornery and Moosa, Associated Press corres- rides horses." West suggested the pondent, sent word that the Chi- democrats put Morse on their

any time since the nationalists L. Josslin listed three men as

cause the statute was in effect cent will be declared by the wife ment pay; income from a partner-

or non-wage earner.

Mihai Calls Off Romance with

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. The 24-year-old princess interrupted her journey from Copenhagen to meet the former monarch and announced she was going The dramatic denoument to the

WASHINGTON, Jan. 10 - "Feller," the Cocker Spaniel pup given to

ing with the President's physician, Gen. Wallace H. Graham.

WASHINGTON, Jan. 10-(AP)-

"Feller" the cocker spaniel in-

tended as a White House mascot,

The young pup was a Christ-

mas gif tto President Truman,

but Brig. Gen. Wallace H. Gra-

ham, the White House physician,

got the job of taking care of

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.

hasn't made the grade yet.

him temporarily.

President Truman, looks dejected as he sits beside his shipping crate. Instead of living in the White House the pup has been board-

in the immediate future.

plain house broken yet.

now could be used by Romanian Most persons in the entourage branches back to Seattle and Taof the Prince of Hohenzollern, as 26-year-old Mihai is now known,

have stressed that he abdicated "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 The uphappy 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 midjourney from Copenhagen to Lausanne, with her mother, Princess Marrethe. 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) In an earlier speech, William George R. Andersen, 47, attorney Linn club agent. The award includes 1-H club summer school Senators Request gubernatorial ticket: Marshall front Workers, was shot through scholarship to Oregon State colpresent reckoning, red conquest of Dana. Oregon Journal editor; the right shoulder today in a lege. Mukden within the next few State Senator Lew Wallace; Aus- struggle with two masked gunmen months is out of the question," ton Flegel, jr.; and Dr. Peter who invaded his downtown Mont- Passengers Transferred gomery street law offices.

Feller, Spaniel Pup, Not Potatoes for Yet White-House Broken Peace' Drive Nets \$3,000

The Oregon Statesman

The Oregon Statesman, Salem, Oregon, Sunday, January 11, 1948

Telephone Rate Raise Granted;

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. Chairman Harry B. Johnson of the local committee said accounts will be closed Monday and arrangements completed for shipping all items col-

In addition to the cash on hand, which will purchase about threequarters of a carload of potatoes, several donations of produce were received, as well as some cash earmarked for food such as milk. Forty duffle bags of clothing have already been shipped in, and more is ready.

Johnson expresed 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 contribu- able the company to earn approxtion totaled about \$250.

The committee will meet Mon-To Receive Training in Doctor's Home day at 4:30 p. m. in Elfstrom's store to complete transactions.

"Feller" can't be "White House **Natural Gas** broken" because he isn't just Also, Mrs. Truman is reported wanting the care of the pup left Firm Speeds up to daughter Margaret — and Margaret is often absent from the White House on singing tours. If "Feller" does make the grade and is transferred to the White House, his home will be in the White House carpenter the White House the White House carpenter the White House carpenter the White House the White

shop. He'll get the quarters once day as saying his company was occupied by Fala, the famed dog going forward with plans for a by private or independent comural 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 plans, however, Hand said, all hinge on Canada's granting permission to export the natural

He said his firm's engineers previous classifications. spent most of last summer in Al- Toll Charges Out berta and reported adequate gas there to supply both Alberta and

The proposed pipeline would be Grove. 24 inches in diameter, he said, and communists to destroy his hopes probably run across Crow's Nest ed generally from the present 50 families in the area now have of eventually returning to his pass to Spokane, and then either to Seattle or to Portland with

Riverview Girl Wins Trip East

Prokrop, 17-year-old Jefferson, interstate were denied. Ore., high school girl, whose home 25-Cent Differential is in the Riverview community, The order eliminated the Linn county, was one of two state monthly 25 cent differential bewinners in the Oregon Wool tween wall and desk telephone Growers "make it yourself with sets in new installations but rewool" dress contest. Caroline Za- tained the lower rate for wall foot level. Sixty men were caught jac, 16, Grant high school, Port- sets now in use. land, is the second winner and Lake City for the national com- said that a \$60,500,000 expansion

Miss Prokrop's blue dress won State fair 4-H club style revue last September.

Elaine Guggiesburg of Lebanon news writing award of the Lebanon Express, it was announced here today by H. John Hansen,

From Russian Vessel

Community Property Income Tax Split Tokyo Earthquake Held to 75-25 Ratio for '47 Income to "other Russian craft" from the heavily - listing Russian ship Dviery." na off the east coast of Hokkaido, the distressed ship radioed early Married couples filing state in-, the tax commission said, a 75-25 used by married couples whose today. The message specified that come tax forms under the new per cent division of total husband- gross income is more than \$10,000, no further assistance was needed community property law for the wife income would be employed Fisher said. The 75-25 formula from United States craft. first time in March may not make in most cases. The 75 per cent will may not be used to allocate: gain

The Dvina said she had been taken in tow by a Soviet destroyer.

ship, estate or trust or extraordi-Weather Max. Min. Precip husband's and wife's total income \$2,000, only that portion actually Chicago ... New York Willamette river 19 feet at mid-

reau, McNary field, Salem: Partly cloudy today, tonight and Monday with tonight rain showers. Highest temperatures today 48, low tonight 35, plications. He is 85.

Company May Seek New Boost Charges Increased For Salem Service; Toll Rates Reduced

Increased telephone rates in nearly 100 Oregon cities are effective as of January 10 under an order of the public utilities commission Saturday allowing \$1,560,000 more annual revenue for the Pacific Telephone and Telegraph company.

The order was signed by Public Utilities Commissioner Probability that Pacific Telephone and Telegraph company

may soon apply for another rate increase was indicated in word received here from F. D. Tellwright, vice president and general manager for Oregon. His message said that, without opportunity to study the order in detail, perusal "indicates that the rate relief granted is not adequate to enable the company to do the job . . . the public is demanding. . . . If these rates prove to be inadequate we will have no alternative other than to reapply at the earliest practicable date for rates that will enable us to do the job the public needs."

George H. Flagg at the conclusion of a prolonged hearing in which the telephone company asked an annual increase of \$2,249,000.

The lesser figure granted, the utilities commission said, will enable the company to earn approximately 5.5 per cent on its original cost, depreciated, of its property in Oregon.

Among the monthly rate increases for individual business, individual residence, two-party residence and four-party residence telephones are the following:

Indiv. Indiv. 2-party 4-party Bus. Resi. Resi. Resi.

(Many valley towns are served casualty list. panies whose rate schedules were not involved in the current proceedings.)

The utilities commission said the rates were based on a parity plan so that, in general, any community with a certain number of telephones in various classifications would have the same rate as other communities with similar numbers. Variance in increases was laid to the fact that some cities had outgrown their

Toll charges between Monmouth and Independence are between Milwaukie and Oak

Farm line services are increascents to \$1 a month. Business cus- exit. tomers on farm lines will pay The Willamette crested at Port-\$1.50 instead of 50 cents. Other land Saturday at 19.4 feet, nearly increases on farm lines are from a foot and a half above flood 15 cents up.

basic changes in toll rates, which of low pasture lands. would have increased the differ-ALBANY, Jan. 10 - Loraine ential between intrastate and

Regarding actual operations of both girls will make a trip to Salt the telephone firm, the report program was contemplated in Oregon from 1948-1950 inclusive, her a trip to the 4-H club congress and commented that while there in Chicago by winning the Oregon was a net gain of 45,000 stations (telephones) between Sept. 30, 1945, and March 31, 1947, applications now totaled 500 more than won the Linn county 4-H club at the start of that period. (Additional details on page 4.)

Aid Classified as Relief, Recovery

WASHINGTON, Jan. 10 -(AP)-The state department agreed to-TOKYO, Sunday, Jan. 11 -(P)- day, at senatorial requests, to cal-All passengers, originally reported at 780, have been transferred aid program will be spent for "re-

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 WORKE

RALEIGH, N. C., Jan. 10 -(AP)-The condition of Publisher Josephus Daniels of the News and Observer, close friend of four democratic presidents, grew worse tonight from bronchitis and com-

Stage at Salem

No. 248

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

Saturday that 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.

Essen road, near Mt. Angel, is also closed, Rice said, but will was explained by Maj. Jacques the proposed pipe line for at least eliminated, as are such charges reopen Monday if waters recede sufficiently. Spong's Landing road near Keizer was opened Saturday and several isolated

stage, and then began receding. In general, the order said sub- The Columbia river, swollen by urban service rates are decreased. the Willamette's flow, went a foot All report charges are elimi- and a half beyond flood stage nated and basic toll rates for 175 too. But no damage was expectmiles or more are reduced. All ed except the usual inundation

> 8 KILLED IN MINE BLAST METZ, France, Jan. 10 -(P)

Eight dead men and 45 injured were taken from the Vuillermin coal mine here today after two fire-damp explosions at the 1,800underground at the time of the

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

start Wednesday, January

an outstanding saga of the times. The Russian Journal will

Gregon Datatesman

subject to the community prop- less than \$2,000, it may be divided erty law, one-half or 25 per cent by the 75-25 formula. Fisher cautioned that married belongs to the spouse not emcouples should file returns to pro-To simplify filing of tax returns, The 75-25 formula may not be duce the least combined tax.

tual wage earner, and the 25 per capital assets; pensions or retire-

er said, based on the assumption paid in 1947, such as a bonus.

This method will be used, Fish- nary income earned in 1946 and

that at least 50 per cent of the If intangibles income exceeds

was earned before July 5, 1947. earned after July 5, 1947, may be