





Weather Max. Portland San Francisc Chicago New York eau, McNary field. artly cloudy today with increasin udiness this afternoon and evening Light rain is expected late tonight or early tomorrow morning. Highest tem-perature today, near 40 degrees; lowst tonight, near 30

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**NINETY-SEVENTH YEAR** 

18 PAGES

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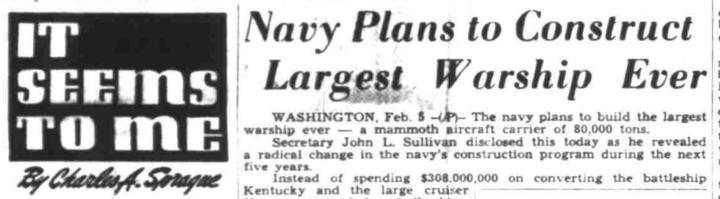
# Inflation Reported Tottering as Stock Drop Swells

13 Rescued in Gorge Blizzard Stalin Fassed Up Truman's Bid to Speak in Missouri

Salem School Art Students Awarded Keys



These six Salem high school girls will be awarded gold keys Saturday afternoon in Portland along with five other Salem junior and senior high school students in recognition of their art entries in the Oregon scholastic art exhibit now on display at Meier and Frank Co. in Portland. Winners of the gold key, of which there are 150 students from Oregon schools, will have their work sent to Carnegie institute. Pittsburgh, Pa., for national competition, the winners to receive art scholarships. Pictured are, left to right, Una Mae Grayless, Doreen Hannon, Carol Gundlach, Mavis Ann Bjorke, Charlene Webber and Darlene Engdahl. Not pictured are Marion A. Carson and Dick Sogge, both two-time winners of the gold key and both of senior high; Donald Perileh, Leslie junior high; and Charles McClelland and gerous. Norma Jean Wilson, both of Parrish junior high. (Photo by Don Dill, Statesman staff photographer.)



WASHINGTON, Feb. 5 .- (AP)-Columbia Premier Stalin was disclosed **River Site** American audience. **Of Storm** 

guments

By the Associated Press

Thirteen persons were rescued from the Columbia river near Umatilla, Ore., yesterday after a blizzard smothered the Columbia gorge in snow, sent lumber flying through the air at McNary damsite and wrecked three river boats.

The tug Defiance rescued six workmen from an island near the damsite, then later pulled seven persons from the tug Captain Al James, which had been driven oncued were in good condition despite hours of exposure.

stinging sand through the air, deposited snow througout the gorge. The heaviest fall was at The The heaviest fall was at The In Lebanon in 9½ hours.

Western Oregon generally esthe snowfall, although caped winds ranging up to 36 miles an hour reached Portland. Elsewhere the state was under a white mantle and highway travel was dan-

Colder Weather Due

Thermometers ranged from 10 degrees at Baker to 34 at Roseburg. The weather bureau forecast colder temperatures Friday. Two army engineers' boats

swamped and sank in the Colum-bia near Umatilla Wednesday night in the face of a 60-mile-an-hour wind The construction of the southern Pacific tracks and West Oak streets.

wind. The army engineers lifted Death was instantaneous, said Near 20 Mark one-the plywood launch Arling- Coroner Glenn Huston of Linn he came to work this morning. ed with our economic structure burglar alarm failed to ton—from the water Thursday af- | cbunty. Clues, other than the colwobbling Salem area temperatures which 4. A senate-house budget subsound because of faulty wiring, ternoon, and began trying to sal- or of the car which struck Lappe, skidded to almost 12 degrees unvage the other, a landing craft police said, were a spotlight dropthe bank manager said. committee, asserting there was der the freezing point early this ped by the car at the scene of the "grave danger of runaway inflaused to transport personnel. The burglars pried open a side morning, are expected to rise tion," decided to set a \$37,200,-The wind in that area subsided accident and the fact that the car door to enter the Umatilla countoday and produce rain tonight. to about 30-miles-an-hour Thurs- went through Lebanon and turned ty bank building, then tunneled a 000,000 ceiling on spending in the the U.S. weather bureau at Mcfiscal year starting July 1. day afternoon, after breaking onto Highway 20, south toward hole in the brick vault. Though Nary field reported early today. power poles and blowing lumber Sweet home. Wheat Drops Limit The mercury dipped close to they got the coins, they failed to through the air at the McNary Lappe has no known survivors. Wheat, the king pin in the na-20 degrees last night the bureau obtain the bulk of the bank's cash, tion's commodity price economy, plunged the permissable daily limdam site. One gust blew a pick-up truck, driving between Ord-nounced later by Howe-Huston reported. A minimum reading of which was kept in a steel safe nounced later by Howe-Huston about 30 degrees was forecast for within the vault. nance and Umatilla, off the road funeral home, Lebanon. it of 10 cents a bushel in Chicago, The bank, a branch of the Unit-Minneapolis, Kansas City - reinto a ditch. The driver escaped tonight. Increasing cloudiness is predicted for today with probable ed States National of Portland, is peating Wednesday's performance. injury. managed by F. S. LeGrow. He Prices took the full fall at the Washington Men Stranded rain today and Saturday. **Bids Sought on** Although many roads through- estimated that the stolen money, opening, attempted a feeble rally, In Washington, snow stranded eight men on a south-central state highway for several hours vesterout the state were snow and ice- most of it in bags, would weigh and then slipped back again. 2. Four extremely fast subma- ask the state supreme court to highway for several hours yester-Nearly all other grains for fupacked, they are still passable about 800 pounds. rines. These perhaps would be decide whether income tax sur-day and forced closure of a few Reservists Huts with chains, the state highway ture delivery broke the full limit in all markets on the North Amercommission reported. Especially **Present Laws Said** ican continent. The men, on their way to Sundangerous areas are the mountain Both New York stock and bonds nyside from the Hanford atomic Salem contractors Thursday passes and the Columbia river highway between Portland and Adequate to Cope State Treasurer Leslie M. Scott continued to slide. While extreme works, spent the night and much were asked to bid on an improvesaid these surpluses now amount of today on the highway 12 miles ment project for the three quonset osses were reduced here and there The Dalles, because of heavy snow With Communism on the New York stock exchange, north of Sunnyside when six-foot huts near 25th and Lee streets drifts. declines of fractions to 2 or more snowdrifts stalled five cars. A res- where local army reserve activity elaborate electronic gadgets to ceipts have to be used for pro- cue car reached them yesterday now centers. points were in the majority with Anti-Discrimination Bill WASHINGTON, Feb. 5 -(AP)virtually all groups affected at the Tighten up some of the laws al-ready on the books and the de-**Price Index Drop** afternoon. Capt. Richard A. Reynolds, unit **Passed by Committee Power Shortage Closes Mills** instructor for the Salem area, said partment of ustice will be able A power shortage, some of it bids are due at the Ft. Lewis post The price index for the week due to California's drought and engineer's office February 12, con-WASHINGTON, Feb. 5-(AP)-A to cope with any red fifth colended January 31 showed a .4 per some due to central Oregon's tract to be awarded within 30 days hotly argued bill to prevent job umn. Attorney General Clark ascent decline to 167.3 per cent of dampness, heavily curtailed lum- and work to be completed within discrimination against negroes and sured congressmen today. the 1926 average. "The government should not ber production and left some 2.300 90 days following awarding of other minority groups won 7 to 5 Most business leaders and laapproval today from the senate run the risk of turning radicals bor leaders throughout the nation workers temporarily jobless. contract. The failure of hydroelectric genlabor committee. into martyrs," he explained. For The work will include repairing agreed that the break was a It thus was started toward sen- that reason he agrees with FBI erators in California, caused by interiors, rehanging doors, painthealthy adjustment of the price low water there, cut of power in ing inside and out, installing win- ate debate, but may not get there Director J. Edgar Hoover that it structure. southwestern Oregon for the dows and porches and outside until after anti-poll tax and anti- would be best not to outlaw the Some comments: lynching bills are considered. communist party by statute. Donald W. Douglas, Los Angefourth straight day. More than 100 lighting. lumber mills, from the California les, president of the Douglas Aircraft Co.: "It is a natural and border to Eugene, were closed or **Tentative Plans to Place Memorial Auditorium** operating on a limited basis. healthy development in what had Some 2,000 men in the Springbecome a dangerous situation." field-Junction City-Cottage Grove William Grede, Milwaukee, area were idled, as 54 mills shut area were idled, as 54 mills shut down. Another 300 were idle near Roseburg. Three other Oregon counties president of the Wisconsin Manuacturers' association: "Very Roseburg. frankly, I don't think this is 'it." Three other Oregon counties-This appears to be merely a period of adjustment," South Winter and Mission streets," | riety of organizations and pro-By Conrad Prange grams. Kimmell said. Staff Writer, The Statesman **Portland Prices Drop** This location, it was reported. Correspondence with other ci-Tentative plans to build the pro-PORTLAND, Feb. 5-(AP)-Cash would provide easy street travel ties as far south as Pasadena, posed Salem war memorial audi- and would permit sharing of the Calif., concerning their auditorwheat prices plummeted 22 cents The shortage there blacked out here today, in the wake of a drop torium in Bush Pasture park and a nearby parking lot of the Willaium buildings, is being carried on parts of Bend for several nights, in eastern commodity markets. mette university athletic field. closed down sawmill planes at series of promotional and fundby the building committee, Bail-Soft varieties, quoted yesterday No legal obstacles blocked use lie said. He added that the Salem al of 13 of his co-defendants-all Redmond and Prineville intermit- raising campaigns were outlined at \$2.72, fell to \$2.50. Bids were of the Bush pasture site, it was auditorium should still contain a of them former German military tently. at a meeting of Salem Memorial reported by Allan Carson, legal seating capacity of between 3,500 wheats Auditorium association Thursday committee chairman. Carson in- and 4,000. wheats. night The market break also was re-Airline to Pay dicated, however, that other op-Coburn Grabenhorst, chairman flected in a drop of 30 cents a hun-Admiral Thomas Gatch of Portposition to use of the location of the men's promotional commit- dredweight on baker's flour, makland, native of Salem, gave the might arise. He also reported that tee, outlined a program of radio, ing a total decline in Portland main talk at the meeting and Salem residents voted and later newspaper and service organiza- millers' prices of approximately stressed that Salem "sadly needrepealed a bond issue of over tion promotional activities "to 90 cents since the December peak. ed" such an auditorium. \$500,000 to build a war memorial

**Grains Stage Limit Decline as President Asks Slump Stopped** 

Price 5c

today to have turned down an invitation from President Truman in 1946 to speak before an The Russian leader had been **Crash Near if** angered by Winston Churchill's famous speech at Fulton, Mo., in which he criticized what he **Curbs** Ignored termed Russia's desire for "expansion." The invitation apparently was intended as an offer

to the Russian leader of an WASHINGTON, Feb. 5 -(AP)equal chance to present his ar-President Truman warned the nation today that a crash is inevita-Presidential Secretary Charles ble unless some way is found to

G. Ross said Stalin turned curb prices. down an offer to come to the At the same time Secretary of United States on the USS Mis-Agriculture Anderson asked all souri, to travel with President consumers to "ration their food Truman to Columbia, Mo., and dollars" voluntarily to bring down to speak at the state university. the cost of living. He was said to have felt the trip was too far.

James, which had been driven on-to Umatilla rapids rocks by 60-mile-an-hour winds. All the res-The storm, which also whipped Kills Cyclist

**Stalin Passed Up** 

LEBANON, Feb. 5 -(Special)-Sweet Home and Oregon State showing how living costs have police tonight were trying to locate a 1939 or 1940 light-colored Lappe, 51, Lebanon, early this evening.

Lappe, a plywood mill worker, was struck by the car, according to investigating state police. as he rode his bicycle homeward

Truman Warns Crash Near if Price Drop to Take While to Work Way Into Pocketbooks In Wholesale NEW YORK, Feb. 5 - (AP) -

Bread and butter note: Don't be too hard on the grocer if his price on products from wheat and cows don't "plunge the limit" along with commodi-

Those gyrations in the commodity markets of the nation take a while to eddy into the corner store.

Wheat sold for cash at \$2.76% a bushel in Chicago, down 115% cents from yesterday. Flour prices here were cut 25

Also today, a senate subcommittee recommended a sweeping cents a hundred pounds yesterrevision of the rent control law, day, which wouldn't mean much with no limit on the size of rent in a loaf of bread. Besides, millincrease where landlord and teners and brokers have to work ant agree on a long-term lease. their higher-priced stocks off The controls, in revised form, before the grocer gets his bread would be extended until April 30, cheaper. As an example, butter went up  $\frac{1}{2}$  cent here today to \$1.01 a pound. Mr. Truman told a news confer-

ATHENA, Ore., Feb. 5-(P)-The

\$9,000 in coins in the night by

ence that consumers have had to pay more and more for daily necessities since he asked congress **Burglars'Dig'** last November for standby powers to check inflation. As graphic evidence, he brought out a chart

\$9,000 from spiraled. For that reason, the president Plymouth or Dodge sedan which declared he feels as strongly as **Athena Bank** struck and killed Maurice Lloyd ever that congress should give the administration authority to deal

with the situation. But leaders on Capitol Hill have shown no inclination to grant his requests. Athena bank was robbed of about



**Price Index** 

CHICAGO, 'Feb. 5 - (AP) - Commodity and stock prices broke again today for the second successive day and some grain and ousiness analysts expressed belief the turning point in the inflationary spiral may have been reached.

As nearly all grains crashed the permissible limit on all North American markets-and the New York stock market retreated to the lowest average level since Junethese were the major developments in the price picture:

 The bureau of labor statistics reported a drop in wholesale prices for the second straight week and the Associated Press wholesale composite of 35 commodities recorded its sharpest daily decline in nine months.

2. A. W. Zelomek of the International Statistical bureau in New York said the price break may mark the turning point of infla-tion. He predicted a pronounced price slump might release a hoard of vitally needed goods held by jittery speculators who had expected a further rise. Increasing Doubis' 3. Ray Templeman of Thomas

and McKinnon, Chicago commission firm, said that fconfidence has been dealt a rude jolt, bringing a situation that is not likely to be cleared up overnight." He added that the grain price slump "possibly reflects increasing doubts and apprehension that

burglars who dug through a brick wall of the bank vault. The burglary was discovered by this might be the signal that the the janitor, J. E. Harwood, when oft-predicted recession has start-

Congratulations are due the city of Monmouth on retirement of all its indebtedness. On Tuesday night Mayor Bowersox touched a match to the last of its bonds, and the city has no general debt and no lien against its light plant. Now it will be possible for the city to reduce its electric power rates. Its previous city tax levy of 17 mills can also be reduced or the city may take on additional improvements.

Under Mayor Bowersox the city has made a success of its venture into municipal ownership of its power distributing system. When cheap Bonneville power was offered the city built its own distributing system in 1940, rather than buy out the existing private utility. It offered reduced meet all its obligations.

There were two factors conthe system was tax-free. The sys- did not indicate whether this tem has been run very econom- would be a converted one or a ically, with Mayor Bowersox new vessel. keeping a watchful eye on its operations, and of course was spared changed construction program was a few weeks to prepare his opincontributing to private company that the development of guided ion. overhead or dividends.

Monmouth's success may be as the navy expected. tempting to other municipalities; but not all of them have as vig-ilant a mayor as Monmouth. Then Butter Jumps again there is the principle of opposition to state socialism - where will it stop once it gets started? To 96 Cents Leaving that debate to one side for the present the fact remains that the achievement at Mon- cents a pound for butter again mouth is a conspicuous example following a two-cent jump in the of competent, efficient municipal price of the product here Thursgovernment.

SALEM PRECIPITATION (Since Sept. 1) Last Year 23.88 This year 26.75 Average 23.66 **Animal Crackers** By WARREN GOODRICH

S

"It's been one of those days when EVERYTHING goes wrona!"

Hawaii into guided - missile ships. the navy proposes a \$230,000,000 Supreme Court outlay on the following: 1. The super - carrier almost **Ruling on Tax** double the size of the present giants - the 45,000 - ton Midway. Franklin D. Roosevelt and Coral Surplus Sought Sea. Bigger and faster planes will be built for service on the super-

carrier. "patterned after the German subs pluses can be used for state gen- schools in the state. credited with three times the sub- eral fund purposes, it was reportmerged speed of American under- ed at the capitol here Thursday.

sea craft 3. One "hunter - killer" ship, to \$30,000,000. There is an argusomewhat similar to a destroyer, but larger and equipped with ment over whether income tax rehunt down and destroy fast sub- perty tax reduction as has always been done in the past. marines.

The program also provides for A high state official said torates and still has been able to the conversion of a 27,000 - ton day that if Attorney General carrier and two submarines. De- Neuner holds that the surpluses tails of these changes were not can be put into the general fund, tributing to this result: First the revealed. Sullivan did say that some interested taxpayer might low wholesale rate offered by one submarine would be an oil be found to bring suit to prevent Bonneville; Second, the fact that tanker to fuel other subs. But he the state from using the surpluses. It is hoped that the supreme court could rule before the legislature meets next January.

Neuner said it would take him Sullivan said the reason for the

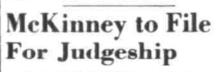
missiles had not progressed as fast **Ex-Nazi** General **Commits Suicide** As Trial to Start

Salem housewives are paying 96 before he was to go on trial for war crimes

The current price of butter is now one cent under a recent record peak of 97 cents which oceurred last December, local markets reported. Grade A butter also hiked two cents in wholesale listngs, reaching 91 cents a pound.

day

night with the large size retailing at 57 cents a dozen.



A second candidate for the po- South Called to sition of municipal judge entered the field Thursday when W. W. McKinney announced he will file for the judgeship he now holds.

McKinney is serving under ap-Governor Fielding L. Wright hintpointment since the city manager ed at a bolt today in a call to form of government began here Mississippi democrats for a statea year ago January 1. As the wide meeting to fight the party's judge's duties constitute only a national leadership on the racial part time job, McKinney also has issue.

day.

continued his private law practice in Salem. William H. Crawford announc- the keynote for revolt. He accused

ballots here in May.

State officials are planning to

NUERNBERG, Germany, Feb. 5 Crook, Jefferson, and Deschutes--(AP)-German Gen. Johannes Blas- were battling a separate power kowitz committed suicide today by shortage, which stemmed from wet leaping from the top catwalk of fuel and an icecap over the Desthe Nuernberg prison a short time chutes river.

His death did not delay the tri-

Butterfat prices advanced cor-respondingly but egg quotations broke away from a file of pris-

wire fence and threw himself over, hurtling 30 feet to a tile ST. PAUL, Minn., Feb. 5 .- (AP)floor. American attorneys said is prepared to place into effect they were surprised at Blasko-March 15 a five per cent rebate witz's suicide because their evidence against him was meager. tion more than 30 minutes late.

The rebate will apply to all do-**Political Meeting** the year, the airline stated. JACKSON, Miss., Feb. 5 -(AP)-

said it has filed a formal applibate policy effective March 15.

It was Wright, in his inaugural HIGHWAY TO TOP DAM

SPOKANE, Feb. 5-(AP)-Plans son, chairman of the location comspeech January 20, who sounded for the McNary dam near Uma- mittee, who was absent, President ed earlier this week he would those in control of the party of tilla call for an interstate bridge Rex Kimmell declared that the file for city judge. Proper peti- "anti-southern" acts. Wright call- atop the structure, James A. Ford, committee has several prospectadvised by army engineers.

The association voted to accept representing the Salem 20-30 club, that his club be permitted to sponsor a series of three stage plays. on passenger ticket prices whenbe given to the association. The plays would be held at Salem senior high school February 27, April

To avoid conflict with several Croil Hunter, president and To avoid conflict with several signed to also accommodate athgeneral manager of the airline, the association changed its former title of Salem War Memorrial cation with the civil aeronautics association to Salem Memorial board proposing to make the re- Auditorium association. Nineteen

Reporting for Col. Phillip Alli-

keep the memorial idea alive to

the people." Silas Gaiser, member of the building committee, reported that Baillie, revised its previous design for a building. Instead of a single- the Salem Community Concert purpose structure, suitable only association is beginning a camfor concerts, shows and cultural paign to enroll its 1,800 members into the \$1-a-year individual programs and stage events, the building should be a multiplemembership status of the Mempurpose affair, Baillie reported. orial association.

State Treasurer Leslie Scott in-It should have a flat floor detroduced Admiral Gatch. Gatch letic events, exhibitions, fairs and harked back to his childhood days large civic group affairs. The and Salem's Reed opera house and building, Baillie reported, should the Oddfellows temple which rehave a small concert hall and placed the opera house. smaller assembly rooms, a dining Guests at the meeting included

Marion County Clerk Harlan Judd room and kitchen. In answer to a protest from Eric of the Reserve Officers associate Allen, representing American post tion and Public Utilities Commis-136, that plans concerning the sioner George Flagg. Mrs. Peery type of building were continually Buren was acting secretary in place of her husband. President "fluctuating," Baillie said that to tions signed by 200 voters would ed the Mississippi meeting Febru- chamber of commerce executive ive sites in mind. The committee, serve the community well, the Kimmell reported that the assoplace both names on the primary ary 12-Abraham Lincoln's birth- secretary said today he had been however, "favored the Bush pas- building would have to be capa- ciation's next meeting was tentature location at the corner of ble of accommodating a large va- tively set for March 18.

QUICKIES



'Discouraging, isn't it - 105 is business for ourselves and all of those opportunities in Statesman Want Ada!

## building in the 1920's. Northwest Airlines said today it a proposal made by Dall Sullivan, A building committee report, offered by Chairman William

mestic flights and all seasons of 15 and May 15.

of 31 group representatives present favored the change.

leaders. They were escorted into a United States tribunal to answer charges of crimes against peace and humanity. oners, clambered up a seven-foot

