

Authority to Act In Power Shortage Given to Governor

By Wendell Webb
Managing Editor, The Statesman

The Oregon legislature gave Gov. Douglas McKay full power to act in the power shortage Monday, and then proceeded to get enough new business to make the predicted short session look like a dream. The house caught the brunt of the upsurge in introductions. First, it was asked to approve three proposed constitutional amendments (1) exempting all real and personal property from any state levy; (2) requiring initiative petitions to be signed by 8 per cent of voters in each county—instead of 8 per cent of the state at large and (3) letting the legislature, by a two-thirds vote, pass tax legislation without submitting it to referendum.

Then it got 21 new bills. One would reduce the corporation income tax rate from 8 to 7.5 per cent, and repeal the provision whereunder 50 per cent of the personal property tax can be offset by corporation income tax. Sponsors, who said the plan would raise several million dollars annually, were Reps. Herman Childers, Herman Hendershott, Lyle Thomas, Raymond Coulter and John D. Logan.

IT SEEMS TO ME

By Charles A. Sprague

Is Generalissimo Stalin trying to throw stardust in our eyes?
Is Uncle Joe worried and anxious for a peace settlement?
Is the Russian peace offensive a bid for time for developing atom bombs of their own?

These questions and answers to them are handed about wherever diplomats, statesmen and publicists meet, as well as in coffee shops, pubs, women's clubs and Pullman car smokers. They are penetrating questions; and who gives the correct answer gets not a jackpot but holds the key to the future of the world.

The content of Stalin's answers to an INS correspondent's interrogatory is not surprising. Stalin has always insisted he wanted peace and that Russia needed peace. Russian propaganda is that warmongers plotting an imperialist war. About a year ago Foreign Minister Molotov used a portion of Ambassador Smith's conversation as excuse for a peace appeal, which came to naught.

When the diplomats gather about the table the conference progresses from haggling through delays to stalemate. And in the UN the frequently-invoked veto stymies the activity of that body. Peace in the cold war can come at any time, but it must come through deeds not words.

At the same time our own government must not assume an intransigent position.

(Continued on Editorial Page)

Revised YWCA Building Plan Wins Approval

Revised plans for a new Salem YWCA building were approved Monday night, but no time has been set for construction of the three-story structure.

Revamped plans, prepared by Portland architect Pietro Belluschi, were presented at the annual dinner for members of the YWCA and their husbands at the Knight Memorial Congregational church.

Dr. Robert D. Gregg, Willamette university dean, spoke on "Two Worlds, Can They Be One?" New officers were announced at the dinner. Elected for a second term on the board was Mrs. Bruce Spaulding. Elected for first terms were Mrs. A. E. Archibald, Mrs. Chandler Brown, Mrs. Chester Cox, Mrs. Charles Fearing, Mrs. Robert Gangware and Mrs. A. E. Ullman.

New members of the nominating committee are Mrs. G. F. Chambers, Mrs. A. C. Hagg, Mabel Roberts, Mrs. Harold Rosebraugh and Mrs. A. A. Schramm. A. C. Hagg was elected to the board of trustees.

In the building report, presented by Mrs. Esther Little, executive secretary, the new plans were aimed to meet zoning restrictions and financial limitations. Provisions have been made for a swimming pool, but it will not be constructed with the new building. Original plans called for four floors. The new plan provides two floors plus basement and will still have room for 80 girls.

Steers in Portland At 2-Year Low Price

PORTLAND, Jan. 31—(AP)—Fat steers sold at \$22 a hundred pounds at the North Portland stockyards today, the lowest price in two years.

Animal Crackers

By WARREN GOODRICH



"Oh, it's just another one of those school fads."

Among the other 20 new house bills were those calling for a tax on illegal slot machines; paving the way for the merger of Salem and West Salem (story below on this page); unopposed the state's take on pari-mutuel betting; giving new power to the same commission; barring daylight saving time by compelling all official statutes, orders, rules and regulations to use standard time; authorizing a 1-mill levy by counties to care for poor folk in hospitals; and requiring 25 per cent of registered voters to cast ballots in a school bond election before such election could be held.

Senate Passes Nine Bills
The senate passed five of its own bills, including one to amend the tax exemption on homesteads from \$2,000 to \$5,000 and four house-approved bills, and had eight new introductions including those to dissolve the Salmon River-Grande Ronde highway district; appropriate \$6,000 for Old Oregon Trail, Inc. and call a joint memorial session at 2 p. m. Tuesday, March 1, in memory of seven state officials who have died since the last session.

The house has no measure coming up for final action today, but the senate faced prospects of a brisk debate over Sen. Richard Neuberger's bill to raise legislative pay from \$200 per year (\$8 per day) for 260 days every two years) to \$1,200 a year. The senate elections committee turned thumbs down on the plan but the sponsor said he would attempt to override the adverse report.

Meanwhile, Rep. Ralph T. Moore of Coos Bay, chairman of the house taxation committee, said his group would set for tomorrow on the state's complex tax program which is expected to be incorporated in three or four bills. One would put personal and corporation income tax in the general fund and it was understood another might adjust income tax rates to raise another \$10,000,000. The committee tabled it, and therefore veritably killed, a bill by Rep. Joseph Harvey designed to tax theatre and other entertainment admissions to raise \$3,000,000 per biennium. The measure by Reps. Lyle Thomas and Carl Francis to put liquor revenue in the general fund was tabled temporarily pending other legislation.

Referendum Proposed
Tax committee members also said they were leaning toward the idea of referring to the people that part of the tax program affecting old age pensions, state buildings, higher education construction and school support.

The bill to let the governor deal with the power shortage was passed by the house 47 to 9. The senate had passed it unanimously. It would authorize Governor McKay to declare an emergency. The bill would let Public Utilities Commissioner George A. Flagg restrict the distribution or use of power, affecting any firm or person.

The house suspended its rules, on motion of Rep. Douglas Yeater, to speed the bill through final passage.

Opponents of the bill, led by Rep. Lyle D. Thomas, Dallas republican, protested it "would make the governor an absolute dictator in matters such as this."

Those voting against the bill were: Reps. Phil Brady, Phil Dreyer, Joseph E. Harvey, John D. Logan, Howard Morgan, Grace Peck, all of Portland; Vilas Shepard, Clatskanie; Thomas; and Gerald Wade, Newport.

Both the senate and house will resume at 10 a. m. today.

(Additional details page 3)

Houses Dominate City's January Building Report

Construction in Salem was off to a \$255,997 start for 1949, with complications of new building and alteration permits for January by the city engineer's office Monday.

Twenty-one new dwellings accounted for the bulk of the month's total of new construction, with \$222,500 in new construction completed. Alterations and repairs accounted for the remaining \$33,497.

There was no major construction started during the month. Largest permits issued were for dwellings costing \$12,500 each. The 1949 total is far below 1948's record \$400,975 for January, but below the 1947 total of only \$106,980.

ELLSWORTH SELECTED
WASHINGTON, Jan. 31—(AP)—West coast republican house members today chose Reps. Ellsworth (R-Ore) and Anderson (R-Calif) as members of the house republican steering—or policy committee.

U.S. Mulls Reply to Soviet 'Peace' Talk

The Oregon Statesman

98th Year 12 PAGES The Oregon Statesman, Salem, Oregon, Tuesday, February 1, 1949 Price 5c No. 277

More Cold, Snow Due for Salem Area

S. China Will Keep Up Fight

CANTON, China, Jan. 31—(AP)—China's four southern provinces centered on Canton will make a last-ditch stand against the communists, whatever the outcome of peace efforts elsewhere, Gov. Hsueh Yueh declared today.

The new governor of Kwantung, who reluctantly took over last week after T. V. Soong departed, said in an interview that he was "ready to be a martyr" and intended to lead the independent defense of Kwantung, Kwangsi, Hunan and Fukien provinces.

He predicted that Generalissimo Chiang Kai-shek would try a comeback from his questionable 10-day retirement, but intimidated Chiang would get a cool welcome in the south.

As he spoke, the communists formally took over the old northern capital of Peiping.

(From Peiping, AP Correspondent Spencer Moosa reported 15,000 to 20,000 communist troops marched in through the northwest gate behind two bands.

(He said they were victorious but quiet, while spectators showed no sign of either hostility or joy. (Surrender of Peiping was arranged January 22.)

Hoover Avers U.S. Taxes at 'Saturation'

WASHINGTON, Jan. 31—(AP)—Herbert Hoover told congress today the United States has reached the "saturation point" on taxes and urged a federal house-cleaning which he said might save billions.

The former president asked the lawmakers to give President Truman the authority for "grievously needed" reorganization of the 1,800 government agencies. The administration has a bill in power in a specific bill now before congress.

"The first question to solve is economy," Hoover said. "I believe this country has reached the saturation point by way of taxation."

Hoover declared the overlapping, conflict and duplication of federal agencies has become "intolerable," and with a slight smile, he went on to say:

"We have a form of government that is hopeless of economy." (Additional details on page 2.)

Paraguay Coup Boosts Rolon

ASUNCION, Paraguay, Jan. 31—(AP)—A new revolutionary government formally took control of Paraguay today.

Gen. Raimundo Rolon, a retired professional soldier, took over the presidency from which the revolutionists yesterday deposed J. Nacional Gonzalez in a bloodless coup. Not a single shot was fired.

Rolon's first act was to swear in his cabinet.

Gas Bomb Misfires in New York Gun Battle



NEW YORK, Jan. 31—While three policemen (circle) crouch behind car and another (right) stands ready, a tear gas bomb explodes in front of house on East 69th street Sunday as police closed in on Elmer Stanford, 40, arrested as a suspect in the shooting of a Catholic priest in confessional of a nearby church Saturday night. Police had attempted to toss the tear gas bomb into his second floor window but missed. Stanford was captured after a gun battle. The priest was slightly wounded. (AP Wirephoto to The Statesman).

New A-Bombs Produced By U.S. Bigger, Better

By Frank E. Carey
Associated Press Science Reporter

WASHINGTON, Jan. 31—(AP)—The United States is producing super A-bombs—substantially more powerful than the missiles that blasted Japan during World War II.

The Atomic Energy commission made this disclosure today for the first time in an official report to congress.

The commission recorded "an expansion of effort in all phases of atomic energy development," both for arms and peaceful pursuits.

And it announced that emergency defense measures have been taken to safeguard the world's No. 1 secret against sabotage and "against attack."

A major objective, the commission reported, is a greatly stepped-up production of the two atomic fuels—uranium 235, which is found sparsely in raw ore, and the synthetic new element, plutonium.

To this end, officials said there is now under way "the biggest single construction effort in American peacetime history," which will eventually cost more than \$700,000,000. It includes construction or major alteration of 20 plants centering around the plutonium plant at Hanford, Wash., where nearly 15,000 workers are now employed.

Its fifth semi-annual report to congress the commission further reported:

"That the \$3,000,000,000 atomic energy program has attained 'a momentum which, if sustained, the commission believes will maintain and increase the nation's lead in atomic energy development.'"

"That a new office of 'intelligence' has been set up by the AEC to correlate and evaluate information on foreign atomic energy developments."

"That continued efforts are being made to release as much still-secret information as possible without endangering the 'common defense and security.'"

Senator Aiken (R-Vt.) protested. Talking about the chief of the United Mine Workers' union and its coal strikes, Aiken said: "In the case of Mr. Lewis, that (the voluntary plan) would be hardly any teeth at all—unless you might say false teeth."

Tobin argued that settlement recommendations by emergency boards under the cooling off procedure would be backed by the "powerful force" of public opinion.

Weather
SALEM — Max. Min. Precip.
Portland — 34 27 Trace
San Francisco — 55 37 .00
Chicago — 24 20 .01
New York — 30 26 .79
Willamette river — 1.3 feet
Forecast from U. S. weather bureau, McNary field, Salem: Partly cloudy with scattered showers of rain or snow today and tonight. High today near 40. Low tonight near 22.

January's Days All Freezing

More wintry weather was forecast for the Salem area as temperatures took another downward trend Monday after a two-day break. Lower minimums and sprinkling of snow were predicted for today and tomorrow.

Weathermen virtually assured Mr. Groundhog of his spot in the sun Wednesday with a forecast for clear to partly cloudy skies.

The two days of warmer weather were enough, however, to ease the power shortage. For the first Monday this year Bonneville administration was able to keep power up to 60 cycles.

Melting snow boosted the Columbia river stream flow to 92,000 cubic feet at Bonneville dam Monday and the demand for power slackened.

January kept its record of freezing temperatures intact Monday with a minimum of 32 degrees. It was the 31st consecutive day with minimum temperatures in the freezing zone. Continuation of the streak was assured at least two more days with forecasts for a low of 26 today, and 22 Wednesday.

Despite the month-long cold spell, mean temperature for Salem didn't budge the 1930 record of 27.4 degrees. However, the 29.5-mean was good for second place in the 57-year record of the Salem weather bureau.

One record — lack of precipitation — did tumble, with only 57 inch of rain recorded for January. Least previously recorded in Salem was 1.30 inches in 1917. This year's total is 5.07 inches below normal for the period since September 1.

Average maximum temperature for January was 37.8. Average minimum temperature for January was 21.2. The month had seven clear days, three more than normal, 12 were partly cloudy and 12, cloudy.

Three persons were found frozen, one at Seneca, S.C., and two in a flooded cotton field near Charleston, Mo. In Kentucky, five persons died in fires and four in accidents. There were two flood deaths in Arkansas. Louisiana reported two traffic fatalities, and Tennessee one because of glazed roads.

A negro froze to death in Chattanooga. A Maryland man was killed in a fall on ice.

In Texas' Rio Grande valley tomato and potato crops were a complete loss. Ripening fruit was heavily damaged. Even harder crops such as cabbage and carrots suffered damage.

Only Florida of the gulf states remained fairly mild. New Orleans' 29 and Mobile's 33 were unusually cold, but inland conditions were more severe.

Shreveport, La., had a minimum of eight above, and it was 17 at Memphis. Snow up to five inches in depth blanketed much of Kentucky and Tennessee.

Atlanta was hit by freezing rain which reached underground conduits, knocking out virtually all the city's power for more than 2 1/2 hours.

The Atlanta gaze was part of a storm which moved northeastward up the Atlantic coast during the day, bringing rain and snow to most of the seaboard. Washington had four inches of snow, followed by rain. Rain and snow fell northward into New England.

Meanwhile, on the west coast, Los Angeles and southern California were recovering from late January freezes, with daytime temperatures of 55 to 60 expected during the next few days.

In northeastern Arizona, a party of 20 men reached 40 children and an undetermined number of adults at the Navajo mountain school, but reported that they, too, were trapped.

The threat of new snow and sub-zero cold in the Nevada-Utah area spurred new efforts to get feed to sheep and cattle herds there. Nearly a million pounds of hay have been dropped by the air force to livestock in this region.

Approximately 300 pieces of snow-fighting equipment were at work under Fifth Army direction in the Nebraska-South Dakota area. And new trainloads of snow plows, bulldozers and heavy contractors' equipment moved into Nebraska from Colorado.

Tobin Gains Senate Okeh as Secretary
WASHINGTON, Jan. 31—(AP)—The senate gave unanimous approval today to the nomination of Maurice J. Tobin of Massachusetts, to be secretary of labor.

He was appointed during the last recess of the senate.

Seeks to Counter 'Tactics'

By Edward E. Bomar
WASHINGTON, Jan. 31—(AP)—Any American answer to Prime Minister Stalin's new "peace" gesture appeared likely today to be a delayed and carefully thought out move.

Administration officials said there probably will be no response until the White House, State department and presumably congressional leaders get together on the best way of countering what the capital generally views as a Soviet tactical maneuver.

One idea reported under consideration is to use the occasion for a review of Russia's postwar dealings with the west, coupling this with a renewed demand for firm evidence that this time Moscow is acting in good faith.

Meanwhile both the White House and State department shied away from comment on Stalin's press interview statement that he had "no objection" to a meeting with President Truman at some mutually acceptable place.

Presidential Press Secretary Charles G. Ross noted that Mr. Truman's last word on such a meeting was his statement this month that he is willing to meet the Soviet leader in Washington.

The president, Ross told reporters, has read newspaper accounts of Stalin's pronouncement that he "would be prepared to consider" a joint Soviet-American no war declaration.

Moscow's timing deepened official suspicions that the Soviet purpose was to create a rift rather than to feel out the American attitude toward some sort of an East-West settlement. Stalin spoke out just a day after Russia put pressure on Norway to stay out of the North Atlantic pact, and the effect was to push the Norwegian development of front pages both within and outside the Soviet bloc.

'Chutists Jump To Plane Down Near Medford

MEDFORD, Ore., Jan. 31—(AP)—Two parachutists jumped to the aid of a downed flier on an ice-covered lake north of here today. The flier, seen walking around his plane, was thought to be John L. Krause, jr., Antioch, Calif., missing since his plane disappeared last Wednesday on a flight from Redding, Calif., to Eugene, Ore., via Medford.

From the air, his plane did not seem seriously damaged and he was able to walk and wave to the rescue plane. His plane was a low-wing Silver Swift, the same type as that flown by Krause.

It has been bitterly cold in the mountain area where the plane is down on Fish lake 40 miles north and a little east of here, with nighttime temperatures near zero.

An air rescue party from Moschord field, Wash., piloted by Capt. Marcey Penge, was sent to the scene with Capt. Frederick Harcourt, a physician, of Millary, Ind., and Cpl. John Robbins of Portland, Ore., landed about 200 yards from the downed plane. They had medical supplies, food, a shelter tent and a handy-talkie radio.

A ground party started for the scene. Lt. Tony Falconi of the air rescue service, District Ranger Mill Andrews of Umpqua national forest, and two other forest service men planned to drive to the end of a logging road and hike in eight miles. They expected to arrive at mid-morning tomorrow, after going through snows which are deeper than for many winters.

State police at Klamath Falls said Allen Moccabe, pilot of a ski-equipped plane, had been asked to stand by for a possible rescue attempt. Recently Moccabe landed on the snow-swept high desert country of south central Oregon and rescued a downed flier.

Mt. Angel Creamery Reports Business Up, Herds Smaller

By Lillie L. Madsen
Farm Editor, The Statesman

MT. ANGEL, Jan. 31—Volume of business for the Mt. Angel Cooperative Creamery for 1948 totaled \$2,229,131.34. Frank Hettwer, secretary — manager, reported at the annual business meeting here today. This was more than \$14,000 above the 1947 volume.

Membership showed a net gain of approximately 160 but volume of butterfat produced was down about 10 per cent, causing officers to urge members to increase the size of their herds. Estimates were that the average herd in the entire membership was little over eight cows.

Of the total volume of business, butter sales still top all other income with \$870,904.33 for the year, and cheese was second with \$566,249.43. Grade A milk sales climbed to \$221,260.

Reports by C. E. Eastman, president, and Hettwer for 1948 total that 48,126,353 pounds of butter had been manufactured since the creamery opened a little more than a quarter century ago. The cheese plant, added only recently, has already manufactured 9,179,625 pounds of cheese. During 1948, 1,063 pounds of butter was manufactured from 28,183,978 pounds of milk received. The butterfat test averaged 4.18 per cent in the entire membership.

President Eastman in discussing improvements hoped for and planned, included addition of 288 square feet in a portion of the old building, remodeling and expansion of office space and the purchase of new covered trucks to meet the grade A law.

Announcement was made that the 1944 certificate of interest would be called in during 1949. Albert Boscher, Alois Duda and Lawrence Schneider were named the nominating committee for 1950.

Eastman and Oscar R. Overlund were returned to the board of directors. Holdovers are George Kruec, vice president, Ed Ebnast and Alois Kirsch. In a meeting of the board which followed the membership gathering, all officers were retained.