

Governor McKay Approves Salem Rent Decontrol

U.S. Cuts Ties With China Nationalists Administration Admits Loss to Reds

WASHINGTON, Aug. 5 (AP)—The Truman administration today publicly abandoned all hope of saving China from the reds by aiding its nationalist government.

In an unprecedented blast, it labeled that government as a dismal failure in the war against communism.

Instead of aiding it, the administration laid down a policy of encouraging the Chinese people to throw off the "foreign yoke" of a red regime which, secretary of state Acheson charged, served Russian imperialism.

The new turn in American policy was announced in a letter from Acheson to President Truman, presenting him with the long awaited white paper on American relations with China. It was amplified in a statement which Acheson made to a news conference.

In the statement Acheson laid down five "basic principles" for American relations with China, with emphasis on rebuilding "an independent" Chinese nation.

The Acheson letter accepted the communist conquest of China as an accomplished fact.

But, Acheson said in his statement, he does not at all share in "the defeatist attitude" of some.

The 1,054-page official record of Chinese-American relations is probably without parallel in U.S. diplomatic history for its criticism of another friendly government.

It bluntly blamed China's fall to communism on Generalissimo Chiang Kai-shek and other Chinese nationalist leaders. It said their unwillingness to win popular support for their leadership was the root cause of their "failures."

Totals U. S. Aid No battle was lost by the nationalists for lack of American aid, Acheson told the president in his letter. This aid since the end of the war has totaled more than \$2,000,000,000, he reported.

The white paper included not only Acheson's letter but also a 409-page running account of American-Chinese relations since 1844, including the famous Wedemeyer report.

The report by Lt. Gen. Albert C. Wedemeyer, who went on a special mission to China for President Truman in 1947, conditionally advocated in September of that year a five-year program of American aid. Wedemeyer stressed that if American aid was to be effective, Chiang would have to undertake extensive economic, political and military reforms.

Acheson said the report was suppressed until today because its publication, particularly in 1947, would have made trouble for Chiang's government on account of a recommendation to take Manchuria out of Chinese control and hand it into United Nations trusteeship.

Acheson stated five principles to guide U.S. relations in China and the far east this way: "1. The United States desires to encourage in every feasible way the development of China as an independent and stable nation able to play a role in world affairs suitable for a great and free people."

"2. The United States desires to support the creation in China of economic and political conditions which will safeguard basic rights and liberties and progressively develop the economic and social well being of its people."

"3. The United States is opposed to the subjection of China to any foreign power."

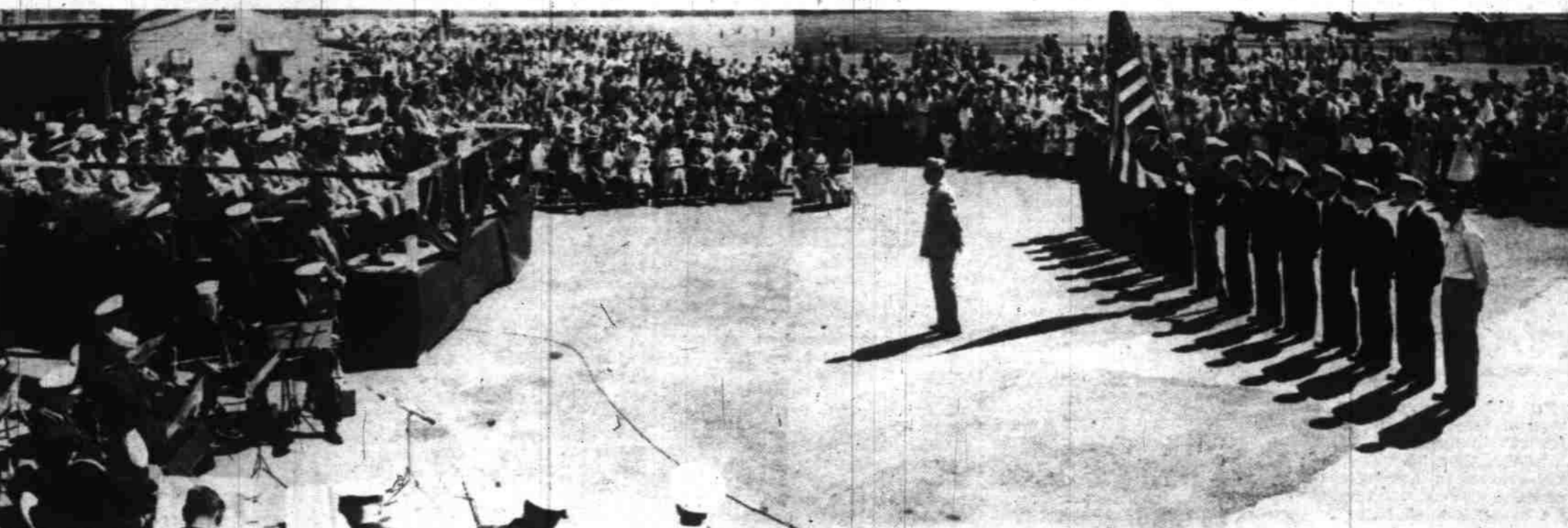
"4. The United States will continue to consult with other interested powers on measures which will contribute to the continuing security and welfare of the peoples of that area."

"5. The United States will encourage and support efforts of the United Nations to achieve these objectives and particularly to maintain peace and security in the far east."

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Thousands Witness Commissioning of Salem Navy Air Station



Thousands of persons crowded Salem's McNary airfield Friday to witness formal commissioning of the Naval Air Facility station, and to thrill at tight-formation flying aviators. On the platform reading commissioning orders is Capt. A. E. Buckley, USN, commanding officer of the naval air reserve training unit at Seattle, flanked by distinguished guests, including Gov. Douglas McKay, Maj. Gen. Thomas Rilea and Vice Admiral Thomas Gatch, USNR. At left foreground is the 13th naval district band from Seattle. In formation at the right are members of the Salem naval air facility. As the ceremonies ended 27 aircraft, including fighters and torpedo bombers, manned by Seattle naval reservists, roared over the field in simulated attack and then made carrier landings. (Photo by Don Dill, Statesman staff photographer.)

Teamsters End Strike Against Gravel Firms

Settlement of the six-week-old wage dispute between Salem sand and gravel companies and the Salem Teamster's union, local 324, was announced Friday.

A joint committee of operators and labor representatives announced terms of the new contract were satisfactory to both sides.

The new contract, identical to the one signed by teamsters in Albany and Corvallis recently, calls for a 5 cents an hour pay increase retroactive to Jan. 1, 1949, 7 1/2 cents per hour increase beginning August 1, and an additional 2 1/2 cents an hour increase starting Jan. 1, 1950 and to continue through the year.

Teamsters signed the new contract with the River Bend, Walling, Commercial and Salem sand and gravel companies, the Salem Concrete Pipe and Products company, the Oregon Gravel company of Salem and Builders Supply of Corvallis.

Sand, gravel and ready-mix plants will re-open Tuesday while the concrete pipe plant expects to be ready for business Monday. Men will be called back to work as needed to meet new schedules. The Corvallis plant already is operating.

The wage dispute began June 28. The union had asked a wage increase of 12 1/2 cents an hour beginning July 1 and a 10 cents increase retroactive to January 1. Employers had offered a 10 cents per hour increase beginning July 1.

TAX OFFICE MOVE The public utility division of the state tax commission Friday moved from a state-owned dwelling, north of the new state office building now under construction, into the state capitol. Carl Chambers is in charge of this division.

Near 200 Persons Reported Killed As Earthquake Hits Central Ecuador

QUOTO, Ecuador, Saturday, Aug. 6 (AP)—An eyewitness broadcasting by radio from Ambato said early today about 200 persons were killed there by earthquake that shook Ecuador's populous central mountain district yesterday.

Reports reaching the capital here said at least six other cities and towns besides Ambato were shattered by a sharp series of earth shocks.

Ambato, 55 miles south of Quito, apparently was the worst hit. Wrecked bridges and communications lines prevented accurate estimates of total casualties.

Reports from Latacunga, 35 miles south of Quito, indicated most of the city was destroyed and many killed.

(A government announcement issued at Guayaquil, Ecuador, said 40 persons, mostly soldiers, were killed when an army barracks building collapsed at Ambato. Collapse of a church also was reported to have buried a group of girls praying inside. This announcement did not specify whether the 40 persons were included in the 80 whose bodies were recovered.)

Belgrano Finds Legion Backing

PORTLAND, Aug. 5 (AP)—Support from legionnaires in 12 states has been received by Frank Belgrano, ex-national commander who denounced national legion officials, he announced today.

Belgrano, a Portland banker, said telegrams and phone calls of approval had been received from complete strangers, most of them veterans of World War II.

At the state Legion convention in Salem yesterday, Belgrano called national Legion officials "racketeers and politicians" and said they spent Legion money to "advance their own control."

TO HONOR ACTRESS HOLLYWOOD, Aug. 5 (AP)—President Truman will give the opening address in a special radio broadcast honoring Ethel Barrymore on her 70th birthday August 15. Charles Brackett, president of the academy of motion picture arts and sciences announced the plans today.

Air Show, Band Concert Mark Navy Unit Start

The Salem U. S. naval air facility at McNary field was formally established Friday afternoon. The city's volunteer naval air reserve unit (active) was commissioned at the same time.

A crowd estimated at 15,000 persons jammed the airport for the ceremonies and program. Lt. Comdr. Wallace Hug received his orders as officer in charge of the facility, and Lt. Ernest Eldridge received orders placing him in command of the air reserve unit.

The main address was by Capt. A. E. Buckley, commanding officer of the naval air reserve training unit at Seattle. Other speakers were Gov. Douglas McKay, Mayor Robert L. Elstrom and B. E. (Kelly) Owens, state commander of the American Legion.

A concert by the 13th naval district band preceded the ceremonies. Naval officers attending from Seattle included Rear Adm. H. H. Good, commandant of the 13th naval district; Capt. F. B. Johnson, commanding officer of the naval air station there; and Capt. C. F. Galpin, director of naval reserves for the 13th naval district.

After the formalities the crowd watched exhibitions by 40 naval air reserve planes from Seattle and the four "Blue Angels" from Corpus Christi air base, Texas. The Seattle planes flew in review past the field, then came over low in a simulated attack.

The "Blue Angels" thrilled the crowd with 20 scintillating minutes of intricate maneuvers. They took off in single file and zoomed perpendicularly to 2,000 feet, then went through their paces at a speed of 500 miles an hour. Repeatedly they flew low over the crowd, then climbed back to perform flawless barrel rolls, loops and "Cuban eights" in tight formation.

The "Blue Angels" leave Salem today for an exhibition at Seattle which will round out appearances in every state of the Union for the group. Following this they will abandon their propeller-driven F8F "Bearcats" in favor of new navy jet-propelled fighter planes.

Mike Reinstates Criminologist with Full Back Pay

PORTLAND, Aug. 5 (AP)—Two republican Multnomah county commissioners pledged today to appoint a democrat if Sheriff M. L. (Mike) Elliott is recalled.

Frank L. Shull, commission chairman, explained his position this way: "The people meant to elect a democrat." Commissioner Gene Rossman said he would "go down the line with Shull." M. James Gleason, the other commissioner, is a democrat.

Meanwhile the sheriff dropped his charges against Stanley MacDonald, the criminologist whose suspension touched off the recall movement.

Elliott announced he was reinstating MacDonald with back pay and without prejudice.

Water Show Set For Leslie Pool

A public water show at Leslie pool will be given at 3 p.m. Sunday under auspices of the summer playground program. Featured will be members of the Portland Water Safety club.

Participants will demonstrate swimming strokes, life saving, canoes and general rescue equipment. Comedy features are to be included in the free show, according to the announcement of Vernon Gilmore, playground director.

JUSTICE IMPROVED

Seaside Hospital attendants reported state supreme court Justice Harry H. Belt, 65, somewhat improved Friday and "resting comfortably." Belt was stricken Tuesday with a heart attack while vacationing there.

BASEBALL

Western International At Salem 6-5, Vancouver 12-9. At Yakima 6, Victoria 4. At Spokane 4, Tacoma 1. At Wenatchee 13, Bremerton 10.

Coast League At Portland 7-4, Oakland 4-4. At Seattle 6, Hollywood 3. At San Francisco 10, Sacramento 9. At Los Angeles 9, San Diego 4.

American League At Cincinnati 4, Brooklyn 6. At St. Louis 1, New York 6. At Pittsburgh 1, Philadelphia 0. At Chicago 3, Boston 3.

National League At New York 10-10, St. Louis 2-8. At Boston 1, Detroit 6. At Washington 1, Chicago 4. At Philadelphia 2, Cleveland 2.

Salem Residents Lined Downtown Streets--



Eager crowds lined Salem streets Friday night to watch the grand parade of the American Legion convention. At left is a long line of spectators straining forward to view the 2nd Infantry band from Ft. Lewis being led by its killed bagpipers. Second from left are the matted colors of Legion posts in Salem for the convention. And in the middle, stepping off just like her big sisters is little Carla

---Friday Night to See Legion Grand Parade Featuring Military Units, Bands



from Ft. Lewis being led by its killed bagpipers. Second from left are the matted colors of Legion posts in Salem for the convention. And in the middle, stepping off just like her big sisters is little Carla May Vaughn, Sheridan, one of the girls ranging from three years to 14 years of age. At the right is the prize and honor winning drum and bugle corps from LaGrande, which Thursday night won the state drum and bugle corps championship, and also honors in the Friday night parade. (Photo by Don Dill, Statesman staff photographer.) (Story on page 2)