"No Favor Sways Us, No Fear Shall Awe" From First Statesman, March 28, 1851

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#### No China Trade

Certain tariff concessions negotiated with China in 1947 are being dropped by the United States. This was done because nationalist China has withdrawn from the Geneva agreement effective last May. The comment also is added that the United States has virtually no trade with the nationalists or with the Chinese communists.

That what was once a great and flourishing business which we had dreamed would expand greatly with the end of the wars has dwindled to small dimensions. A century and a half ago sailing vessels were active in the "China trade" and some came to be known as "China clippers." Boston merchants would load a ship with goods to be traded for furs to Indians on this coast. The furs would be exchanged in Chinese ports forsilks, tea, etc. which would be sold in Europe or on our own Atlantic coast.

A half century ago there was a heavy business with China from our own ports. Wheat and flour went out in big volume from Columbia river and Puget Sound and returning ships brought rich cargos of silk that was rushed by fast trains to eastern silk mills.

Revolution in China didn't interfere greatly with this trade, but the Japanese war did, for one purpose of the Japs was to dominate the China trade. The prolonged warfare brought China to prostration, and the communist civil war prevented recovery. Now the bamboo custain has fallen to shut off much of the remaining intercourse with western nations. There is local trade, chiefly out of Hong Kong and China must import petroleum. But the heavy trade with China that was hoped would follow the second world war has not materialized. As tensions tighten in the far east the prospect for any revival of the old trade is pushed farther into the future.

This abnormal and unnatural situation surely cannot last indefinitely. In the past the broad Pacific has joined North America and Asia rather than divided them. When the lamp of reason is relighted then ships heavily laden will cross the ocean bearing the goods of commerce and the passengers to interchange culture of east and west.

#### Reds Go Underground

It must have been with a sigh of relief and a brisk rolling up of their shirt sleeves that CP members heard their official orders to go underground last week.

Comrades operating in the limelight of publicity feel about as comfortable and work about as efficiently as bats at high noon. The very nature of communist activity demands skulking around in the darkness, and the underg the native habitat of all subversives.

So, with the announcement that the communist party in America is going into eclipse, the Reds have already got the drop on such proposed measures for forcing the comrades to operate open and above board as loyalty oaths and laws requiring party members to register. Said National Secretary Gus Hall:

"It is the duty of every loyal communist absolutely to ignore any federal, state or local law that requires communists to register. It would be a grievous breach of party discipline for a member to register, which would call for automatic expulsion from the party.'

And Organization Secretary Henry Winston, addressing the same top policy-making meeting, added that "our party is very well equipped to carry on its work in spite of legal repressions."

Joseph Alsop

By Joseph Alsep WITH U.S. FORCES IN KO-

REA, Sept. 1-The folly of mak-

ing forecasts about this Korean

ed in this war, the balloon was

up. A great and menacing en-

emy effort was momentarily ex-

back to the front revealed no

scenes of bloody carnage or last

ditch stands, Instead, the enemy

had begun a general withdrawal

precisely where the big wheels

had anticipated a massive on-

slaught. And by that afternoon

my friends of the 1st Battalion

were loudly rejoicing because the

big wheels felt safe enough to pull the 27th Regiment out of

the line, send it halfway across

Korea, and reunite it after many

weeks with its parent division,

While one therefore wishes to

avoid phophesy, it is none the less

allowable to report that the men

who do the actual fighting believe

that the first great crisis is over

in Korea. If they are right, the

danger of a full-scale catastro-

No one at home seems to real-

ize how great that danger has

been. Yet not so many days ago,

Lt. Gen. Walton H. Walker called

for total, immediate mobilization

of all air transport in Japan, in

order to evacuate as many Amer-

ican troops as possible after an

enemy break-through that was

expected in twelve hours. We

then had no reserves to cover a

withdrawal and no prepared posi-

tions to withdraw to. If our in-credibly thin defense line had

phe has passed at last.

Next morning, however, a trip

war can be simply illustra-

ted. After

ing some days in the line with

the hospitable 1st Battalion of

the 27th Infan-

try regiment,

this reporter

briefly returned

to the rear

Here, among the

big wheels as

the 25th.

the brass is call-

U. S. Soldiers in Korea Feel New Confidence;

was the danger.

stronger.

American Units Brought Up to Full Strength

been breached that day, even the

greatest effort of air evacuation

could hardly have prevented the

loss of half our men and most of

our equipment in Korea. Such

Even now, the line remains

alarmingly thin. Even now the

line's security mainly depends on

certain small crack outfits like

the 27th Regiment and the First

Marine Brigade, which are push-

ed into the line like corks wher-

ever a break threatens. The men

who do the fighting feel new con-

fidence not because of any high

level strategical gains, but be-

cause they consider the North

Koreans are growing visibly weaker while we grow visibly

This recently altered balance

of strength was strikingly evident

in the fighting this reporter has

just seen with the 27th Regi-

ment's 1st Battalion. In what

may have been its culminating

effort as a cork, the regiment had

been used to meet a serious en-

emy threat on the main highway

to Taegu, the provisional Korean

capitol and hinge of our defense

line. Although the North Kore-

ans were locally driven by by

the 27th's aggressive exploitation

of our superior artillery fire pow-

er and air superiority, the enemy

commanders continued trying for

a breakthrough for five more

days before they at length with-

their armor gingerly. They employed their artillery largely for

counter-battery fire. They were

even fairly sparing with their

mortars. And the few prisoners

taken testified that the North

Korean divisions on this front

were feeding their men only once

every two or three days, and

were hardly able to keep up their

stocks of small arms and machine

All this of course resulted

from the attrition imposed by our

resistance, plus the increasing Iso-

lation of the battlefield by our

air power. The North Koreans

are still being supplied by the

gun ammunition.

But they had no air. They used

He indicated that clandestine presses would provide the members with party literature and that the party's underground organization was as

security. The FBI's technique of installing agents and maintaining stool pigeons within the communist party organization would seem to be the more effective way keeping informed on the comrades' work and progress.

#### **Death Takes Harry Banfield**

most useful life is brought abruptly to an end.

cess: there and in Oregon he played an importcentury. Just a few months ago he retired as

As an industrialist Harry Banfield was progressive and enlightened. He pioneered in mechanical developments and followed aggressive methods in merchandising. He had a genuine interest in the welfare of his employes and had a social conscience. His participation in civic affairs as worker and contributor was generous. It was most appropriate that he was designated in 1949 as Portland's "first citizen."

Oregon has too few citizens of the stature of T. H. Banfield; that he was taken at what seem-Oregon and the country.

Loud squawking comes from a few fishermen who got tagged by state police in the Astoria fishing derby because they were tardy in tagging-the two salmon the law permits them to ging the two salmon the law permits them to gime, including the deputy to catch. The purpose of the law is to learn just Propaganda Chief Gerhart Eisler, how great the take of sports fishermen is. In any program of conservation the authorities need to know the facts, and if, as alleged, sports fishing is making inroads on the salmon supply further restriction may be required. A beginning might himself, may be next on the well be made in cutting out these fishing der- purge list. Eisler lost his place on

No time now to set up for universal military training. The call is "men wanted" and the recruits will have to take their training in short order to fill gaps in the line in Korea. If we are in for decades of wars or war alarums we'll have is finished." to impose a compulsory training program, distasteful as it is to most Americans but it will have to wait.

President Truman wants congress to author- red comrades, who once were ize dispersal of government offices in the vici- exiles in western Europe. nity of Washington. The idea is to have vital services scattered so they will not be knocked out in another Pearl Harbor. Why not set up offices in Colorado where the guerrillas will

to the front.

Soviets, but they are more and

more unable to get the supplies

thus losing their offensive capa-

bility more rapidly than seemed

possible, our own units are at

last getting back the regiments.

battalions and rifle companies

which "economy" docked from them. When people here speak

of an American division, they are

positively beginning to mean the

real thing, and not a poor en-feebled skeleton with "courtesy

of Louis A. Johnson" written all

within range of our Japanese

bases, with great armies in Si-

beria, with satellite power in

China, the Kremlin can of course

reverse this whole new tendency

of the Korean war in the short

But if the Kremlin does not

choose to intervene here more directly, our existing forces are

now probably sufficient to con-

tain the whole strength the North

Koreans can muster. If this is

true, even a fairly small addi-

tional force, if well equipped,

can rather quickly strike at the

enemy's unprotected rear, either by 'direct breakthrough, or by

securing a beachhead, or even

from an airhead. And once the

North Korean rear has been suc-

cessfully attacked, only the nasty

task of mopping up will then re-

In short, we might get out of

this mess in Korea rather more

quickly than seemed likely when

catastrophe still imminently

threatened. As a nation, we shall

then meet our greatest test,

wheher to continue to plod down

the hard road to survival, or

whether to listen again to the

cheap politicians who have tried

so hard to cover up the origin

and greatness of the danger here.

who even now are shamelessly

concealing the grim toll of our

dead, wounded and missing

whose blood has been the heavy

price of grandstand "economiz-

space of a single night.

over its emaciation.

While the North Koreans are

Clearly, projected laws requiring registration of subversives would be worse than useless; they would tend to give the nation a false sense of

Save that death from natural causes so often has struck swiftly one would almost refuse to believe that T. H. Banfield had been summoned. He seemed always so alert and vigorous one never suspected that he would be a quick victim of an organic trouble. But so it transpired, and a

Harry Banfield was a native son of Portland: there he lived and worked, achieved great sucant part in the public affairs of the last quarter chairman of the state highway commission after two terms in which he devoted a large measure of his time to the duties of the office. These were truly arduous for the commission had the responsibility of organizing and carrying forward the great task of postwar highway rehabilita-

ed the prime of his powers is a great loss to

## Eisler Aide **Under Arrest**

In East Reich

NOT RESPONSIBLE

FOR LOSTWAGES

PRODUCTION

AND

BERLIN, Sept. 1 -(AP)- Six high officials of the East German rewere reported under arrest to-night after banishment from the red-ruled socialist unity party for anti-Sovietism.

Berlin speculated that Eisler, in a recent shakeup. But the pudgy international revolutionary, a fugitive from American justice,

Walter Ulbricht, former Mos-

cow expatriate who is now East German deputy chancellor and secretary-general of the party, led the attack against the veteran He accused them of postwar

Appreciate News On Graham Meetings To the Editor:

With 2,500 estimated aircraft GRIN AND BEAR IT

The Christian Service Guild of the First Evangelical United Brethren church of Salem wish to express our appreciation to your paper for each news item covering the Billy Graham evangelistic services in Port-

Some of us have been able to attend the meetings but we are all greatly interested in reading about them.

Yours truly, Ida Swenwold Secretary Christian Service Guild.

"Maybe you thought it wise to put my wife on a low calorie

New York Hearld Tribune Inc. diet, doc . . . but YOU don't have to live with her . . ."

#### connections with "American spy Noel H. Field" and forming a "nest of class enemies" inside the party heirarchy. All were charged with "lacking trust in the Soviet Union as the

leading progressive force, in which no doubt is possible."

Reliable information indicated the six who were banished had been jailed by the Soviet zone ministry of state security in advance of the purge announcement today. The zonal press office said

it could neither confirm nor deny the report. This office headed by Eisler.

lost Deputy Propaganda Chief Bruno Goldhammer in the purge. Goldhammer has been procommunist for 20 years. He was hounded by the nazis in half a dozen concentration camps until escaped and hi Italy on the Swiss border.

ROUND TRIP TICKET ON THE GRAVY TRAIN

#### Mrs. Johnson Dies; Services Slated Today

Mrs. Mary E. Johnson, a resident of Oregon for more than 60 years, died Friday at a local hospital. She had observed her 69th birthday on Thursday.

Born Mary Wilson, Aug. 31, 1881, in Caney, Kan., Mrs. Johnson came to Oregon in 1888 and was married in 1903 to William H. Johnson, who survives in Salem. The couple had resided in this city since about 1912 and lived recently at 945 N. 16th st.

Mrs. Johnson attended the First land; a sister, Mrs. Kate Landon, Woodburn; and four grandchildren.

Services will be held at 3 o'clock this afternoon at the Clough-Barrick chapel with Dr. Chester W. Hamblin officiating. Interment will be in Belle Passi cemetery in Woodburn.

THIEVES DOUBT MAXIM TORONTO, Sept. 1-(AP)-Thiever stole two wax hands from dummies in the "Crime Does Not Pay show on the Canadian National Exhibition midway last night.

by Lichty

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## Rental Issue Taken from Portland Ballot

TICKETS

PORTLAND, Sept. 1 -(AP)- The city council today decided not to put the question of rent controls before the voters at the November election.

Instead it took steps to set up local control through an 11-member appeals board, including representatives of tenants, landlords,

labor and the public. proposed ordinance would ibit increasing rents without permission of the appeals board, and no increases of more than 15 to Norblad which said: "For your per cent would be permitted with-out giving tenants an opportun-

Commissioner Ormond R. Bean said he would propose that controls be removed if the appeals board ordinance is passed.

Mayor Dorothy McCullough
Lee opposed the action.

#### Milk Price Rise Sought

PORTLAND, Sept. 1 -(AP)- A dairy industry spokesman predicted today that a milk price increase would be sought here from the state milk marketing administra-

Will Henry, manager of the Presbyterian church. Survivors, dairy co-operative association, besides her widower, include two made the statement after the price sons, J. Frederick Johnson and of milk advanced in Eugene and Fletcher W. Johnson, both of Port- Roseburg 11/2 cents a quart. He said a similar boost would be sought here.

> Henry and Thomas L. Ohlsen, milk marketing administrator, both said supplies were getting short here.

#### Plan to Increase Hops Allotments Under Discussion

WASHINGTON, Sept. 1 -(AP)- A proposal to increase supplemental saleable allotments for hops is under consideration, the agriculture department announced today. The marketing agreement which

regulates handling of hops grown in Oregon, California, Washington and Idaho provides that total pre-liminary and supplemental allotments may not exceed 80 per cent of each growers probable final saleable allotment unless the control board increases the percent-

The proposal now under consideration would increase the total of these interim allotments to a maximum of 90 per cent, the department said, under certain con-

#### Claude Matteson Succumbs at Home in Salem

Claude Matteson, 67, a Salem resident since 1947, died Friday at his home at 3190 Doughton

Survivors include his mother, Mrs. Ella Matteson, Puente, Calif. two daughters, Mrs. Helen Price, Salem, and Mrs. Claudia Shure, Sunburst, Mont.; five sons, Cecil Jones, Salem; Lee Jones, Eugene; Paul and Glenn Jones in California; and Harry Jones in Kansas; four brothers, Dewey Matteson, Salem, and Kelley and George Matteson and Edward Gleason, all in California; a sister, Mrs. Maude Scroggins, Puente; and 11 grandchildren.

Funeral services will be arranged by the Howell-Edwards chapel.

# Senate Approves 'First Installment'

WASHINGTON, Sept. 1-(A)-The senate approved a \$4,508,000,000 "first installment" war tax boost by voice vote tonight after voting 42

house conference to compromise the differences with a bill approved

## Oregon Fourth On Final List of Census Gains

PORTLAND, Sept. 1-(P)-Only On October 1 four states in the union grew faster than Oregon in the 1940-1950 decade, the bureau of the census reports.

During this period, Oregon's population increased 38.6 per cent. Ahead of her were California, 51.6 from the present 15 per cent to 18 per cent; Arizona, 48.7 per cent; Florida, 44.1, and Nevada, 43.7. The three west coast states, Oregon, Washington and California. gained a total of 4,600,000 in population. This is one-fourth of the

census supervisor. Truman Backs Proposal to

Divert River OLYMPIA, Sept. 1. -(P)- Gov. Arthur B. Langlie said today he had no serious objection to diversion of surplus water from the

Columbia river providing: 1. The water was taken from a point below the furthest downstream power production area. 2. The water that was removed from the stream would not diminish transportation upon the

lower Columbia. 3. The water could be diverted with no loss to fish life.

The Washington governor issued a statement on the subject after President Truman wrote a letter to Rep. Norblad (R-Ore). In the letter the president left no doubt that he favors a proposal to divert surplus waters from the Columbia into the semi-arid areas of \$4,500,000,000 or more extra dolsouthern California.

Langlie said that if plans could be devised in the future to meet the three provisos he mentioned, certainly there can be no serious six months of the following year, objection . . . " President Truman

met the first proviso in his letter information there has never been any intention to divert any water from the Columbia river, except at the point where it flows into the Pacific ocean."

#### **Court Gives** Lead Ballast to Henry Kaiser

PORTLAND, Sept. 1-(AP)-A fed-eral court held here today that a Henry J. Kaiser company is entitled to the \$232,000 worth of lead G. E. Walkout it found in a surplus ship bought for \$65,750.

U.S. District Judge Gus J. Solomon ruled that the company, Consolidated Builders, Inc., a Kaiser subsidiary, bought the S.S. Leonard Wood "as is" in 1947. The ship was a troop carrier and attack transport.

The "as is", the judge said, in-cluded the 594.2 tons of pig lead ballast.

John R. Brooke, assistant U.S. district attorney who carried the about 60,000 workers in 32 GE government's fight to recover the plants located in 25 cities. lead, argued that it wasn't known the government makes no value a general strike today.

James B. Carey, union adminisguarantee, and that the purchaser must take his chances.

#### Postal Receipts Advance Again

Uncle Sam's "greetings" and active duty calls don't add to postal receipts, but Salem postoffice scored a 13.5 per cent increase in Korea have arrived at Madigan receipts anyway in August.

income was \$64,426 last month, ision which left here a month ago. compared with \$56,756 a year ago. He credited most of the boost to increased population and business BARBERS' PAY RAISED of the area, pointing out that draft and reserve notices bear the gov-ernment franking and do not require postage.

FLAX SEED PRICE CUT

WASHINGTON, Sept. 1-(AP)-The commodity credit corporation has lowered the domestic sales price floor on its stocks of bulk flax seed and raw linseed oil to be effective until next February 1.



# Of Tax Increase

to 36 to postpone until next January a decision on an excess profits

start paying for the Korean war and rearmament, the bill would hike individual income taxes by about \$2,700,000,000 a year.

It would add another \$1,500,000,-000 to federal coffers through an income taxes and the start of the

increase in corporation taxes and gather other millions by plugging "loopholes" and making other tax law changes. The bill is designed to go into

effect for individual taxpayers October 1. On that date, if the bill is enacted into law in time, withholdings on wages and salaries, after personal exemptions, will jump per cent.

The corporate tax would increase from the present top rate of 38 per cent of the income to 45 per

Drives by Senators Douglas (D-Ill) and Humphrey (D-Minn) and total population increase of the na-tion, said Carl J. Gilson, district others to put more revenue-producing provisions into the bill were killed off in rapid fire order, most of them by voice vote.

The successful move to postpone until January a decision on excess profits taxation was engineered by Chairman George (D-Ga) of the senate's tax-writing finance com-mittee, and Senator Millikin (R-Colo), the ranking GOP member. George contended careful study is necessary to avoid possibly serious damage to the economic structure.

Their plan, which requires that the excess rates decided upon by the next congress date back either to Oct. 1, or July 1, 1950, scuttled the proposal of Senators O'Mahoney (D-Wyo) and Connally (D-Tex) to write into the bill an 85 per cent excess profits levy, effective as of July 1. They argued for an immediate blow aimed at profiteering on the war.

Exempts Soldier Pay The bill also:

1. Exempts the pay of GIs from all federal taxes, and exempts from taxation \$200 a month for officers in the combat areas designated by President Truman 2 Speeds up corporation income

tax payments to bring an extra lars into the treasury during the next five years. This is done by requiring corporations to pay their previous year's taxes in the first instead of the following 12 months

3. Speeds up factory retooling for the production of arms and other war materials by granting an accelerated amortization plan for industries established for this purpose. The amortization would take place over a five-year period, for tax reporting purposes, instead of

the normal 15 to 30 years. Among Mr. Truman's so-called "loop-holes" which the bill would plug is one relating to education and charitable institutions. These institutions would be required to pay regular corporation tax rates on their unrelated business activities.

# Ordered Over Wage Dispute

NEW YORK, Sept. 1 -(P)- A strike against the General Electric company beginning Tuesday was called today by the CIO International Union of Electrical Work-

The IUE claims to represent

Walkouts involving 23,000 workthat the lead was used as ballast. ers at five plants in Massachusetts Manley Strayer, defense attorney, and one in Syracuse, N.Y., were showed papers that indicated the already in progress at the time the sale was made "as is." Judge union's 50-member General Elec-Solomon ruled that in such sales tric conference board decided on

> trative chairman, announced the board's action. The dispute is chiefly over wages and pensions. The IUE seeks a 10cent-an-hour wage boost on top of a three per cent raise granted by

the company July 1. WOUNDED MEN RETURN

#### FORT LEWIS, Sept. 1 -(AP)-

About 21 fighting men wounded in army hospital thus far, some of Postmaster Albert C. Gragg said them members of the second div-

PORTLAND, Sept. 1-(AP)-Portland barbers get a \$10 weekly increase in their guaranteed pay as a result of boosting haircuts to \$1.25 and shaves to a dollar.



Current Dividend 21/2% st Federal Savings and Loan Ass'n.

# The measure now goes to the house and probably to a senateearlier by the house. An acknowledged "stop - gap" measure to help fight inflation and