Spy Probe Nets Two More U.S. Citizens

WASHINGTON (AP) - Two men trained by the U.S. Army in the art of interrogation were held in \$50,000 bail each Friday on charges of probing into American military secrets for the Russian Embassy.

★ U. S. agents in Vienna, where the two former Army intelligence men were seized on espionage charges, pressed their roundup with the arrest of at least two

In Spy Plot

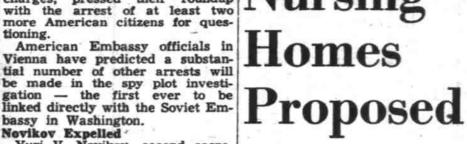
YURI V. NOVIKOV **Co-Conspirators** Caught



The Parthians, on the eastern

border of the old Roman Empire nist cases." gave the imperial armies a lot of a farewell arrow which has at- charges. tained literary immortality as the "Parthian shot.

As the present administration prepares to retreat to the pages Army's intelligence service is of history it has fired a few Par- among several persons held for thian shots. President Truman questioning about the operations of bered up things so it would have taken Eisenhower months to



Novikov Expelled Yuri V. Novikov, second secre-tary at the Russian Embassy and State-operated nursing homes were proposed by a state physialleged director of the spy ring, cian Friday as a means of reduchas been ordered expelled from ing public welfare costs. this country but there was no in-

O2nd YEAR

Dr. Clinton Magill, part-time dication Friday as to how soon he will leave. doctor for Oregon Public Welfare Diplomatic officials said it is Commission, said nursing home customary to allow a "reasonable" costs are about one-third the time for an ousted Embassy aide amount of hospital costs and welto get his personal affairs in order fare cases fill about 1,800 nursing before leaving, but they predicted home beds per month but about

the State Department will start prodding the Soviets if Novikov His remarks were addressed is not on his way home within Sen. Rex Ellis' welfare subcomfew days.

Said Co-conspirator

Novikov, a 30-year-old career during a study of the proposed diplomat who served with the Red Army during World War II, was coming biennium. described by Special Assistant Attorney General Oran H. Water- Principal Activity The meeting was principal leg-

nan as a "co-conspirator" with the two ex-G. I.'s who were islative activity of the day as most whisked back to Washington early of the House and Senate members Friday from Vienna.

The two, Otto Verber, 31, and Thursday. The session reconvenes Kurt Ponger, 39, who served with Monday. U. S. Army intelligence during the last war and won American citi- ard, administrator of the state zenship on the basis of their Army welfare commission, were quesrecords, appeared briefly before tioned by subcommittee members, Federal Judge Alexander Holtzoff. particularly about rising costs con-Indictment Delayed

tributing to the proposed budget Their formal arraignment on an of \$6 million more than the curindictment accusing them of de-livering U. S. military informa-Dr. Magill said there apparently

tion to Russian agents was de- is little chance of reducing medical ferred until Monday to give them aid costs estimated in the commisan opportunity to engage lawyers, sion budget unless state stand-Waterman asked for high ball ards are reduced materially. He 'in view of the seriousness of this said doctors already are charging case and in the light of the gov- welfare patients far less than the ernment's experience in Commu- actual cost of their services.

Hope for Saving

Magill said the outstanding hope trouble. They wouldn't stand to thinking of Gerhart Eisler, the for- for a substantial saving was in the be overwhelmed by the legions. mer Communist leader who jumped field of nursing homes. He suggest-Their armies would make raids \$23,500 bail in 1949 and fled the ed the establishment of at least ed the -establishment of at least and when attacked beat a retreat. country to avoid going to jail on three state operated nursing homes, But in turning to run they fired passport fraud and contempt adjacent, if possible, to medical

told reporters that if he had a Russian spy ring, U. S. officials age of nursing homes in the state said Friday night. He is Ernest Tis- with the exception of in Multnomah

The Oregon Co Statesman

12 PAGES

The Oregon Statesman, Salem, Oregon, Saturday, January 17, 1953



Law May Block Wilson

From Top Defense Job;

Senate Delays Decision

Weather

No. 318

Portland 53 45 San Francisco 55 42 New York 59 35 FORECAST (from U. S. Weather reau, McNary Field, Salem): cloudy with intermittent rain

GM Holdings

Chairman Saltonstall (R-Mass)

said the committee had decided it

pointment until it had clarification

of laws limiting the private busi-ness holdings of government offi-

Wilson has just retired as presi-dent of General Motors, but he

still holds about 2 1/2 million dollars

worth of stock in the giant auto-

mobile corporation. General Motors

is one of the country's biggest de-

Gere In Opposition Sen. Gore (D-Tenn) announced a

short time later that he will vote

against confirming Wilson as de-

fense chief unless he divests him-

self of his General Motors holdings.

Gore, a freshman senator, said

a vote for Wilson's confirmation

would be tantamount to sanction-

ing the violation of the law of the

fense contractors.

Hotel Can Rave; **Two Buildings Destroyed** in Pedee Flames

licked at the heart of this Polk County town early Friday, destroy- J. Borde denied the hotel's evicing two buildings and momentar- tion suit, awarded the couple and ily threatening to sweep the bus- their attorneys a \$7,000 judgment iness district.

Firemen from four neighboring towns answered the alarm.

the blaze in the large Pedee Dance Hall Cafe building at 4 a.m. The

fire. In 30 minutes both buildings Foul Play to fire. were a mass of flames. Fire dep-

artments from Dallas and Monmouth, each 15 miles away, responded. Falls City and Philomath also sent firemen. Cause of the blaze and loss es-

timates were not determined immediately. The larger structure contained

a restaurant and living quarters on the lower floor. The upper story was a dance hall. The living quarters were unoccupied.

Former owner Wallace Shannon sold the building several months ago to John Collins who lives at Salem and was there at the time of the blaze.

Statue of Oregon pioneer Jason Lee is hoisted onto pedestal east of the Capitol here Friday. At work are (from left) H. S. Gray and The tavern was owned by Mrs. Bert Frazer, Portland, and Richard Nordal, Salem. Nearby on Helen Gage Bennett. It was leas-Statehouse grounds is now statue of John McLoughlin. Both are ed to S. P. Bingler who lost his 10-ton bronze replicas of statues placed in Hall of Fame at Washentire stock of merchandise.

The Fritz Dyer garage, across the street from the fire, was badly scorched by the flames which also blistered paint and broke windows

Sheets to Wave **Cause Balk** LOS ANGELES (M - Mrs. Samuel Genis was upheld Friday in In Committee her right to hang bedsheets out the window of her suite in the fashionable Beverly Hills Hotel.

cials.

The hotel attempted to eject WASHINGTON (P - The Senate Mrs. Genis and her husband be-Armed Services Committee balked Friday at giving immediate appro-val to Charles E. Wilson as secre-However Superior Judge Harry tary of defense in the Eisenhower administration.

and directed that Mr. and Mrs. Genis be allowed to retain their could not act on the Cabinet apsuite for two more years, until

MT. ANGEL-Police were

clue to the wherabouts of Willtam F. Dwyer, 70, retired railroad worker, who it was feared had become the victim of foul

Merle Grace, Mt. Angel police chief, reported he checked Dwyer's home in the 200 block of Elm Street here late Friday when the old man had not been seen for several days. He said he discovered evidences of an altercation and what was identified as blood stains on bed

The committee's decision will delay action on Wilson's nomination clothes and floor of the bedat least until Monday, senators said. It will also hold up a vote on President - elect Elsenhower's Marion County Sheriff Denver Young, Deputy Larry choices for four other key posts in Wright, Sgt. Roy Hunt and Pathe defense establishment. trolmen Robert W. Dunn, Ver-"We are in a pickle," Sen. Hunt lin Combs and Floyd Morrill, all of state police, were inves-(D-Wyo) confessed. On Thursday members of the committee were tigating the scene early this predicting the Defense Department morning. nominations would have smooth sailing. Sen. Taft of Ohio, the Senate majority leader, said Congress may have to think about changing JURY STILL OUT NEW YOR KUP - The jury depaid tribute Friday to retiring Vice string Communist leaders failed the law to clear the way for some President Barkley for his "cour-teous, dignified and impartial" It will resume its study of the case Wilson told the committee Thurs Wilson told the committee Thursday that he not only retains a Saturday. large chunk of General Motors stock but has been promised bon-uses of more than \$600,000 over the next four years from General Motors profits.

centers. VIENNA, Austria (AP) - A German-born veteran of the U.S.

lowitz, 40.

For one thing he probably was

He said welfare patients are now

being cared for in hospitals when they could be cared for more economically in nursing homes, if such facilities were available. Magill said there is a present shortage of nursing homes in the state and Marion counties.

His remarks were addressed to

mittee of the Oregon Legislature's

joint ways and means committee

went home after adjournment

Dr. Magilf and Miss Loa How-





Historical Statues Placed

Statesman News Service PEDEE-A spectacular blaze cause of the bedsheet episode.

Townspeople first discovered their lease expires.

flames had a good start then, they said. As the old-type, two-story structure flared up, the Pedee Tav-ern located just north, also caught

Mt. Angel Man

hunting early today for some

land.' A senator whose name cannot be used said Defense Secretary Lovett told the committee this week General Motors had asked for an inrease in its profits on government contracts and that he was leaving the decision to his successor. **Holds Up Confirmation**

bolo at lke with his order transferring to the navy the underground oil reserves of offshore lands. He also added a big chunk to the already huge Olympic Na-tional Park. And down Klamath Falls way ranchers are convinced that Oscar Chapman has clobbered things up for them when he limited homesteading of newly reclaimed lands under the Klamath project to 6700 acres and turned some 23,000 acres over to the Fish and Wildlife service. Down Klamath way land plus water are of greater interest than offshore oil.

The President has the authority to establish oil reserves for the navy just as President Coolidge did with Elk Hills and Teapot dome after the Fall scandals. The Supreme Court has declared the federal government's rights in the lands of the continental shelf are paramount. Such has been the others, that Congress (Continued on editorial page, 4)

Cost of Living **Shows Drop**

WASHINGTON (#) — The gov-ernment Friday reported a drop of two-tenths of 1 per cent in the cost of living during the month ended in mid-December.

A 1 per cent decline in the retail price of food was chiefly responsible, the Bureau of Labor Statistics (BLS) reported. Egg prices dropped 10.7 per cent, the agency said, and meats, poultry and fish also were lower.

SARAJEVO BLAST SCENE BELGRADE, Yugoslavia The Yugoslav information director said Friday an explosion at a military base near Sarajevo killed 21 persons and injured at least 50 others.

Animal Crackers

By WARREN GOODRICH

H

mennennennen

"CAN I HAVE THE BUGGY

TONIGHT . PA 7 "

straighten them out. He said he didn't do that; but Republicans are complaining that he threw a **Tightened by**

CAIRO (#) — Egypt's strong man Premier Mohammmed Naguib Fri-day night dissolved all Egyptian no party be allowed any activity for the next three years.

General Naguib also announced that 25 "suspect" Army officers Doubted Reduction have been arrested and are being investigated.

Naguib announced his government had ordered that all political parties' assets be confiscated and 'used for the benefit of the coun-

pension of the parties was a "tran-sitional period." He seized power last July 26 after forcing King Fapressure of the coastal states, and rouk to abdicate and go into exile.

Slide Crushes Newport Home

NEWPORT, Ore. In - A dirt increases in the slide first crushed, and then car- next blennium.

field, a mill worker, four miles east of Newport Friday. Edenfield drove into his yard just as the first dirt started down

SALEM PRECIPITATION Since Start of Weather Year Sept. 1 This Year Last Year Normal 18.54 27.03 20.34

Baum said, the commission would guarantee a minimum number of the nursing home business.

political parties and ordered that the senate ways and means com-

Naguib said the three year susways and means committee.

its jurisdiction and that few, if any persons, are receiving funds from the commission to which they are not entitled. Sen. Rex Ellis announced that

increases in their budgets for the

Navy.

(Legislative news also on page 2) ried off the home of Glen R. Eden-**Tidelands Shift**

from the steep slope behind his house. He ran inside, and got his wife and two young children out. The slide crushed the back wall of the house, and caved the sides in. As the slide grew, the whole in. As the slide grew, the whole section on which the house stood moved several hundred feet down-bill truman brushed aside hot con-gressional protests Friday and placed the vast offshore oil de-posits under the command of the

hill, stopping about 50 feet short of Highway 20.

ne state welfare commission and private operators of nursing homes was proposed by Rep. Dave Baum of LaGrande. Under this plan,

ington, D. C.

LONDON (P)—Henry Byroade, U. S. assistant secretary of state, took a plane for Washington Friday night with what may be a suc-cessful plan to end the explosive 22-month-old oil dispute between

patients per month and thereby encourage more persons to engage in

Britain and Iran. Miss Howard said such a plan British officials apparently bewould require careful study and lieved a settlement is within reach at last but they had their fingers Dayton Angler Sen. Dean Walker, chairman of mittee, expressed concern that Premier Mohammed Mossadegh

such a program would commit may tell U. S. Ambassador Loy Henderson in Tehran Saturday Lost in River the state to a dangerous precedent. There was some discussion of

whether he accepts the main points of the plan, hammered out by Henthe controversial issue of making derson and Byroade. welfare rolls accessible to the pub-

Henderson submitted a detailed James Anderson, 31, Dayton, lic. Miss Howard said she doubted draft of the plan to Mossadegh at a marathon seven-hour session in the Nestucca River north of Hebo whether such a proposal, if appro-ved, would reduce the welfare Tehran Thursday. Informed sources Thursday, but the brush broke off costs by 10 per cent as estimated by some members of the joint said the premier raised some ob- and he was swept away in the jections and proposed some chang- river to his death.

It was emphasized by Miss How-These were considered Friday ard that the commission investi-

night at a meeting between By-roade and British officials. The sized in the rain-swollen stream. gates every assistance case under British were reported to have gone The two had started out to fish. some way in meeting the Mossa-degh objections, and the British boat at first. Then Slipper grabbed reaction was messaged to Hender- successfully at brush on the bank.

son immediately. all county welfare commissions would be called to Salem to justify

And Death too, Sir? WASHINGTON (P) - Secretary to him. of the Treasury Snyder said his goodbyes to treasury correspondents Friday.

Made Official Mr. Secretary?" one of them asked.

WASHINGTON IM - President der.

GENERAL'S WIFE IN HAWAII-HONOLULU (A) - Mrs. James A. van Fleet, wife of the U.S. The President issued an execu- Eighth Army commander in Korea, tive order setting aside the much-disputed underseas resources, val-ued at perhaps 40 billion dollars, 20.34 as a Navy oil reserve.

nson Hospital with head injuries, injuries to his left hip and pos-

listed by state police as Roger Sall, Butte, Mont. Extent of his injuries were not known. State police files indicate Sall, traveling south on 99E, apparently tried to pass a truck when Boehringer, going

north, and he collided.

Daily Speller! (The following words are amo

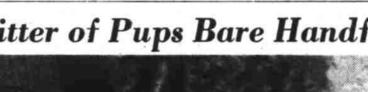
(The following words are among those from which will be chosen the words for the 1953 Oregon Statesman-KSLM Spelling Con-test for 7th and 8th graders of Marion, Polk and part of Yamhill

illegible chemistry correction beggar activity insurance criminal exquisite autumn pyramid synonym evasive primary poison embrace theory decline surround

in the Fred Brassfield store. Possible; British Hopeful Prompt arrival of fire depart-ments was credited with saving the other store buildings here the other store buildings here. They were summoned by Helen Johnson, proprietor of the Brassfield store.

> TRIBUTE TO BARKLEY WASHINGTON (P) - The Senate liberating the case of 13 second work as its presiding officer.

Litter of Pups Bare Handful



Problem for Advisers Saltonstall said he would prob-ably take the problem to Elsenhow-er's top advisors, including Herbert Brownell, attorney general-desig-nate, and former Gov. Sherman Adams of New Hampshire, assistant to the President-elect,

"My opinion is that the law is clear as mud," Hunt said. "Person-ally I would favor repealing any laws that might prevent the gov-ernment from obtaining services of

business men of integrity." Taft said he knew nothing about the details of the Wilson situation, but that he felt the legal question might have to be examined close-

Durkin Approved

Durkin Approved The majority leader said he didn't know whether the hitch would delay Wilson's appointment. Taft has been working to get all of Eisenhower's nine Cabinet choices confirmed by the Senate next Tuesday. This would permit the new President to have them emory in the same day he takes

sworn in the same day he takes office.

Martin P. Durkin of Illinois, a Democrat, was approved as secre-tary of labor by the Senate Labor Committee Friday.

Taft was among those voting for Durkin — although Taft called Durkin's nomination "incredible" when it was made by Eisenhower originallly. Taft's vote made the committee action unanimous. He had prev-iously said he would not fight the

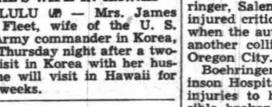
Rain Remains On Forecast

Rain, and more rain, was fore-cast for Salem as precipitation totals passed up normal for Janu-ary with still half a month to go. McNary Field weatherman re-corded .89 of an inch Friday to bring the month total to 7.15, well above the 5.72 normal for January. Despite the indicator, the Weath-er Bureau gave out this 30-day prediction Friday: Above nor.nal temperatures for the Far West; and subnormal amounts of preci-

pltation. Motorists were advised to carry chains for mountain driving today and tomorrow as snow piled up in the Timberline, Chemult, Aus-tin and Seneca areas. Fifty-six in-ches of roadside snow was report-Two days old and a bare handful are the three toy Manchester dogs displayed by Mrs. Earl Adams, 4225 Claxter Rd., and the mother, Dusky Penny Girl. Pups weighed a total of 5 ounces at birth; the litter is more numerous than usual for the breed. Manchesters are bred by Mrs. Adams and her husband, who is Salem constable.

Oregon Nickel Deposits Slated for Production Under Government Plan to Subsidize Industry

WASHINGTON & — The gov-trow subsidiaries of the M. A. Hanna two subsidiaries of the M. A. Hanna areed to undertake production of between \$5 million and 125 mil-lion pounds of nickel contained in becomber. When Humphrey was selected for the treasury job he sid he would sever all his bush ness connections.
The new agreement, Larson said, the appendent of the treasury post Larson for the treasury post Larson for the rest several years.
Hanna Coal and Ore Corp. and the Hanna Nickel Smelling. Co. will undertake development of the is deposit in Douglas Country in Southwestern Oregon Larson said. He said his was the only major known deposit of the metal in this country.
Becretary of the Treasury-desig-mate George M. Humphrey was



"What do you think about taxes, City Policeman "They will continue," said Sny- Hurt in Crash

injured critically late Friday night when the auto he was driving and another collided headon south of Oregon City. Boehringer was taken to Hutch-

sible broken ribs. Driver of the other car was



OREGON CITY-Richard Boehringer, Salem city patrolman, was

NEWBERG, Ore, UP - Gordon

He had been thrown into the

Both clung to the overturned

Norman Riley, Newberg, who had

been fishing from the bank, ran

over and pulled Slipper to safety.

The branches Anderson grabbed broke off before Riley could get

river, along with Pete Slipper of

st.