

Johnston Asks U.S. Avoid Jitters Over Shifts in Business

(Story also on Page 1.)

Reports of business failures and unemployment are not necessarily signs of disaster. It was asserted in Salem Wednesday night by Clem D. Johnston, a Virginia wholesaler and cattle rancher who also is the new president of the U.S. Chamber of Commerce.

Time was, said Johnston, that a businessman could see prices or volume vary up to 10 or 15 per cent without thinking too much about it.

"But today, let our economic temperature fall just a couple of degrees and there is always some nation-saver who makes headlines with his prescription for saving the country."

He said peaks and valleys of production and employment are normal manifestations in competitive enterprise — and that a sprinkling of business failures and even a doubling of unemployment would indicate only that "our economy is returning to normal after a period of high inflation and easy profits."

"Will an increase of retail institutions mean strangulation for the small business man?"

Questions like this popped up in the forum following Johnston's speech at the chamber of commerce program at the Marion Hotel.

For this answer, Johnston maintained that research is constantly catering to new products, new needs, new wants, and that for every business "strangled" more than one small business likely will spring up.

Business failures are bound to come after high inflation, said Johnston, in a process of "shaking out" an accumulation of marginal operations which have been able to exist because of the inflation.

Business Stays Good
On the whole, business should be as good this year as in any recent year with the possible exception of 1953, predicted Johnston.

On a far-removed topic came a question about the national chamber's policy on tariff protection for Willamette Valley cherry growers.

Johnston answered that the national chamber after favoring such tariff protections for years had developed a policy after two years of study and hearings which now calls for "the national interest" as controlling factor in tariffs.

"We found that excessive tariffs were not always in the national interest because so many nations abroad depend entirely on their ability to export goods to this country."

Under present national policy, Johnston added, a U. S. industry actually threatened with extinction can be protected by a raising of tariffs.

Heavy Competition
"If you can't show real 'peril,' you'll have to take your medicine along with bicycle manufacturers, glass makers, lead and zinc producers and other business facing heavy competition from abroad."

Joining the national chamber president in the discussion of questions from the audience were Frank McCaullin, Portland industrialist and national chamber board member; Harry Lintz, Northwest manager for the U.S. Chamber; Dr. Walter Mead, economics professor of Lewis & Clark College, and Charles A. Sprague, national affairs chairman for Salem Chamber, who was moderator.

Johnston's appearance here was one of three in the Pacific Northwest during a national tour. He was in Portland and Spokane earlier this week.

Presiding at the Wednesday dinner meeting was William H. Hammond, Salem Chamber president.

TEACHERS NEEDED
WASHINGTON (AP) — With a new school year getting underway the nation is short 130,000 teachers and 370,000 classrooms. Commissioner of Education Samuel M. Brownell said Wednesday.

ACORNS FROM THE
Oak Room

WITH DEL MILNE

"What a neat deal!"

This joker screams out in the Oak Room the other night. "Ha, ha, ha." He almost gets hysterical. "Puffball sandwiches. Haven't you ever poofed a puffball?"

Since this last remark was aimed at me, I answered indignantly. "Of course! Every one has poofed puffballs at one time or another!"

"Well, what's inside?" he roars. Everybody listens, natch.

"Why, er, ah, a" I stammer . . . "That's right," he explodes. "Nothing! Not a single thing! Good sandwiches, are they? Ha, ha, ha!"

"But, but, but," I stammer. "Our puffball sandwiches are full of meat. Honest. They make you puff like a ball. It's a play on words, see?"

I waited patiently while he devoured one and let me tell you — real, live puffballs splatter when they're poofed!

Remember, in Salem, it's the
HOTEL MARION
Phone 3-4122

Two Drivers Collide With SP Trains

Two drivers were involved in collisions with Southern Pacific freight trains in Salem Wednesday. There were apparently no serious injuries in either accident. A collision at the intersection of 12th and State streets occurred after a truck driven by Roscoe D. Vanderford of Huntington, Calif., developed engine trouble as it crossed the railroad tracks.

Vanderford and a passenger, Frank Scofield, Norwalk, Calif., got out of the truck to find what was wrong. While they were on the ground, the truck was sideswiped by a train.

Police said the truck was not seriously damaged. The driver drove it away under its own power after he managed to get it started.

The second accident involving a train occurred at 3:05 p.m. when a car driven by Mrs. Ida Beck, 228 Frederick St., was struck by a train while crossing the railroad tracks at the intersection of 12th and Mission streets.

Police said Mrs. Beck told them she had seen the train coming but was unable to stop in time. She was reported to be shaken up by the collision but was not hospitalized.

Ruling Frees 22 Men From Draft Charge

PORTLAND (AP) — The government Wednesday dismissed selective service charges against 22 members of the Jehovah's Witnesses sect, one day after two other Witnesses won freedom on similar charges.

The dismissals were asked by James Morrell, assistant United States attorney, who said the reason was that the weight of judicial opinion in similar cases elsewhere has been that the Presidential Appeals Board made a mistake when it classified the men from 1-0 to 1-A.

Morrell explained the 1-0 classification means the men are conscientious objectors, but subject to draft for non-combat duty. The appeals board, however, ruled they were not conscientious objectors to all war duty because the Witnesses said they will fight if ordered to do so by Jehovah.

Morrell said courts have ruled Congress was dealing with political and not religious wars in setting up the Selective Service system.

Cases of the 22 acquitted will go back to local draft boards, which presumably will reclassify the men 1-0 again.

2 Boy Escapees Caught in Gresham

Two of the six boys who fled Monday from the McLaren School for Boys were recaptured Wednesday by city police in Gresham, Oregon State Police at the Salem office reported Wednesday night.

Picked up in Gresham were James D. Schufeldt, 15, of Umatilla, and Gary Taylor, 14, of Portland. Still at large Tuesday night were William E. Puckett, 15, Portland; Larry Keith Bell, 16, Milwaukie, and Robert A. Shank, 15, of Springfield.

Because of their literary patrons, English coffee houses were once called "penny universities."

At the Theaters Today

ELMINORE
"DRAGNET," with Jack Webb, CAPTAIN KIDD AND THE SLAVE GIRL.
CAPITOL
"7 BRIDES FOR 7 BROTHERS," in CINEMASCOPE AND TECHNICOLOR with Howard Keel and Jane Powell.
GRAND
"KARAMOJA" and "HALF WAY TO HELL."
NORTH SALEM DRIVE-IN
"FRANCIS JOINS THE WACS" with Donald O'Connor, "KID FROM LEFT FIELD."
HOLLYWOOD
"ALABAMA BEAR" with Robert Ryan, "ELEPHANT WALK" with Lis Taylor.

West Salem Pastor Called To Spokane

A man whose first pastorate was at West Salem, Ohio, and whose present ministry is at West Salem, Ore., will leave at the end of the month to become pastor at the Centenary Methodist Church in Spokane.

He is the Rev. Harold Black, minister of the West Salem Methodist Church. The Rev. Black will end a 4 1/2 year tenure at the church.

While in Salem, he has been general chairman of the migrant worker committee of the Salem Council of Churches, active in the Oregon Council of Churches and chairman of the membership committee of the West Salem Lions Club.

Prior to his service in West Salem, the Rev. Mr. Black was the minister at the Bennett Chapel in Portland.

Mrs. Black, also an ordained minister, and their three children, Constance, 9, Rhonda, 8, and Donald, 6, will accompany the Rev. Mr. Black to Spokane.

12 Nominated for Gervais Offices

Statesman News Service
GERVAIS — Twelve citizens were nominated for Gervais city offices by public caucus here Wednesday night.

Incumbent Rex J. Cutsforth and Stanley Seguin were nominated for mayor. The election will be in November.

Other nominees: For recorder-treasurer, Edward Studer, Mrs. P. W. Seeley and Ray Haines; for three city council posts, John Hertz, Ambrose (Bruce) Pheis, William Uppendahl, William Barringer, Jake Cutsforth, Richard Chrz and Frank Adelman.

"Dance For Fun" K-Dot Dance Studio

Introducing the
Salem's Newest and Most Distinctive
SPECIAL OFFER

1 Dance Analysis
2 hrs. Private Instruction
10 hr. Class
Instruction Studio Parties
\$15
FOR ONLY

Offer Good Until Oct. 1st
Ph. 3-3687 For Appointment
4135 Portland Road
(1 Mi. North of Under Pass)

Women Voters League Hears Mrs. Horner

Mrs. Errol O. Horner, organizational secretary for the national League of Women Voters, gave the Salem chapter of the league an idea of the organization's background and its objectives in a talk Wednesday in the Baker School.

Mrs. Horner will be in Oregon for two weeks to address local League units throughout the state. Her visit is one of the events that will begin a state-wide financing and membership drive this fall.

The visiting League official told her audience that the organization's two basic policies, inaugurated when the organization was formed in 1920, have remained unchanged throughout its history. These are to teach women how to vote intelligently and to maintain a non-partisan outlook.

She traced the growth of the League of Women Voters during the past 10 years, during which its membership grew from 51,000 to 125,000.

Although the organization is national only, she said, it has offered advice to women planning to set up similar groups in Italy and in Pakistan. Five thousand of the League's pamphlet on "Self-Government, U.S.A." were sent to the African Gold Coast colony at the request of leaders there, she said.

Mrs. Horner presided the Salem chapter for its "Railroad Project," a study of railroad crossings in the city which has been underway for four years.

Lighthouse on Amoy Struck By Warships

TAIPEH, Formosa (AP) — The lighthouse of the Red port of Amoy was demolished Wednesday by Nationalist warships in the ceaseless attacks on the mainland, the Taipei Defense Ministry said.

Great clouds of smoke also rose from Chingyu Island, near Amoy, after a naval shelling. A communist said war planes in undisclosed force sank three Red craft near the Nationalist island of Quemoy and killed numerous Communist soldiers in strafing runs.

The ministry said planes and warships had sunk 100 military junks, 4 gunboats and 22 motorized boats since the "vest pocket war" broke out Sept. 3 around Quemoy, 110 miles across Formosa Strait from Formosa. Quemoy is seven miles from Amoy.

Although the Peiping radio announced Sunday the Americans had been "deported," they were not told they were being released until

Reds Held Applegate in Isolated, Darkened Cell

By FRED HAMPSON
HONG KONG (AP) — Bedbug, brain washing and isolation in darkened cells — that was the Red China encounter by two American newsmen and a Brooklyn ship captain who returned Wednesday, ill and shaky, from 18 months as prisoner of the Communists.

There were flies, too, and endless meals of rice.

"They brain wash you from time to time," said Richard Applegate, 37, of Medford, Ore., a National after setting foot on this British crown colony. "We had to tell them we loved Communism before we could leave." (Applegate is a former Salem, Ore. newspaperman.)

His companions were Donald Dixon, 35, of New York an International News Service correspondent and Benjamin Krasner, the ship captain, all seized aboard the 42-foot yawl ketch by a Red Chinese gunboat off Hong Kong March 21, 1953, while they were sailing toward Portuguese Macao.

For the last 18 months, the three had been confined in small, windowless cells in a Canton jail.

Taken by the Reds to the border bridge at Lowu station Wednesday, they were met by U. S. Vice Consul Hodridge, who brought them in his car about 40 miles to Hong Kong. Hodridge's simple greeting was: "I am a friend from the American consulate."

Applegate was wearing soiled blue jeans and a sport shirt which appeared to be the same clothing in which he sailed on his ill-fated voyage. Dixon, who seemed to be in the worst physical condition, was in slacks. Krasner wore soiled civilian clothes.

Account Given
Applegate gave this account of their movements after their capture:

They were taken to the Red Chinese island of Lapsapen, where their island ran aground. A week later they were taken to Swatow, in Kwangtung Province, and thence to Canton, where they were imprisoned in a private house until Nov. 5. Then, blindfolded and handcuffed, they were taken to cells only 6 by 11 feet with a slit in the wall of each for ventilation. They stayed there until their release.

Although the Peiping radio announced Sunday the Americans had been "deported," they were not told they were being released until

Tuesday night. U. S. representatives at the Geneva conference had received hints from the Chinese there in May they might be released soon. Britain's former Prime Minister Clement Attlee intervened in their behalf recently when the Labor Party's delegation was in Peiping.

Defied Questioners
When the Red inquisitors learned Applegate had covered the Korean War, they questioned him repeatedly on germ warfare. He first told his questioner:

"That's a lie. There were no germs dropped in Korea."

But the Communist interrogator pounded his desk and yelled:

"You lie, and if you don't tell the truth, we'll kill you. Go back to your cell and think awhile."

He finally learned what the Chinese wanted from a translation of Russian stories they let get into the cell.

"I knew then what they wanted to hear, and I gave it to them," he said. "After that I started confessing to being in Chinese waters and everything else they asked."

"I found out the Reds wanted me to lie about germ warfare in Korea, so I lied plenty. I lied 17 pages of lies. They told me that even the wind from Hong Kong contained germs. I agreed."

"They said Hong Kong was an uncontrolled port but that they intended to change that soon."

MEDFORD, Ore. (AP) — Richard Applegate, American newsmen, talked with his mother in a radio-telephone conversation soon after his release by the Chinese Reds Tuesday.

Applegate was indignant when his mother, Mrs. Frank Applegate, who lives here, told him she had received none of the letters he wrote her.

"Those lying dogs," Applegate shouted.

The conversation was arranged by radio station KYJC, which tape-recorded it for later broadcast.

Tree toads make their musical sounds with vocal cords, through which air is expelled.

Korea Claims U.S. Agrees to Military Aid

WASHINGTON (AP) — The United States has agreed to spend some 700 million dollars on military and economic aid to South Korea in the next ten months, a Korean diplomatic source reports.

In his annual summer budget review Tuesday, President Eisenhower said expenditures for economic aid to the Far East would increase in the fiscal year of 1955 because of the program to aid reconstruction in Korea. But no figures were given for the program.

The diplomatic informant said that while the overall aid amount has been determined, as yet there is no final agreement on how the funds will be expended.

High ranking South Korean negotiations representing President Syngman Rhee have been here since July 26 to work out the twin military support and economic reconstruction programs. They have met repeatedly with Assistant Secretary of State Walter Robertson, Assistant Defense Secretary W. J. McNeil, who recently completed a Far Eastern survey, and Foa administrator Harold Stassen.

Midway Joins Atlantic Fleet

WASHINGTON (AP) — The Navy plans to shift the giant aircraft carrier Midway and 15 destroyers from the Atlantic to the Pacific fleet some time in the next four months.

It also said, in an announcement Tuesday that 15 destroyers which have been rotating between the fleets will be brought from the Pacific and assigned to the Atlantic Fleet.

The Navy said the 45,000-ton class Midway will operate "for a short period of time" in the Pacific and then go to an unannounced West Coast shipyard for modernization. The Navy did not say what it meant by a short period of time.

Nixon Leaves On Campaign Trip for GOP

WASHINGTON (AP) — Vice President Richard M. Nixon and Speaker Joseph W. Martin Jr. took off Tuesday on a "campaign of education" to seek votes for a Republican Congress in the November election.

The two GOP leaders in the Eisenhower administration flew in chartered plane on separate swings which will cover most of the country before election day.

The vice president took off today with Columbus, Ohio, as his first stop.

Martin, of Massachusetts, took off with a Republican rally in New Jersey as his first stop.

At a press breakfast before their departure, Nixon and Martin along with Republican National Chairman Leonard W. Hall expressed confidence the GOP can win this election if it "runs scared."

"I think we're going to be able to pick up 15 seats in the House," Martin said.

Nixon said the Republicans are behind now, but will win in November if they do an effective job of telling the voters about the need for a GOP Congress to continue the administration program.

Nixon said he thought the loss of a governorship in the Maine voting was a good thing for Republicans nationally because it will shake them out of any apathy.

Morse Plans 100 Speeches In Campaign

LONG BEACH, Calif. (AP) — Sen. Wayne Morse (Ind-Ore) sharply criticized President Eisenhower Wednesday night and said he will make 100 speeches before the November elections in campaigning for Democratic control of Congress.

Referring to the President, Morse said:

"The day for his political accounting is at hand, and on Nov. 2 the American people should answer his sorry record by placing the Democratic control so that the Eisenhower administration will have to sit down on a truly bipartisan basis and work out a foreign and domestic policy that will advance rather than retard the best interests of the American people."

The Oregon senator made his statements in outlining to a reporter a speech he will make Thursday morning before 1,000 delegates attending the convention of the Brotherhood of Railway Carmen.

Morse said the Eisenhower administration has a "bumbling and fumbling foreign and domestic policy."

"His administration," he added, "is one of advertising slogans, his speeches for the most part are devised to conceal meanings and create false hopes in the minds of the American people."

The senator said the Eisenhower administration has followed a policy of making decisions and then announcing them to congressional leaders, rather than conferring with the congressional leaders first.

Morse said the Democratic leaders in Congress have declared many times that there has not been to any considerable extent, a truly bipartisan policy in the formation of foreign policy. The senator said there was such a bipartisan policy under Presidents Roosevelt and Truman.



FRANKIE SAYS:

"Fellow tells me his kids are happiest the 1st day of school, last day of school and when he brings them in for Giant Smorgasburgers. The size of that beef sandwich — plus all the side dishes we feature — really puts a smile back on their faces . . . and daddy's too, my friend admit!"

BARCLAY'S BROILER
In the Candalaria District
Adjacent to the Dairy Queen
South on 99

Remember, in Salem, it's the
HOTEL MARION
Phone 3-4122

STARTS TODAY!

Cont. From 1:00 P.M.
Please Come Early!
GRAND

THE WORLD'S LAST LOST TRIBE . . . UNTOUCHED BY OUR MODERN CIVILIZATION!

SEE The picturesque Labor Mountains — the Valley of Bones — the River of Rolling Sands — the Enchanted Forest of Deer — the Prairie of Lurking Death — World's Tallest Giraffe!
SEE The Ancient Rites of Bali — Customs of the Iron Age — the Stone Age in Practice Today — the Worship of the Golden Calf — People Without Fear Who Display No Sign of Pain!
SEE Savage Tribesmen Wearing the Men They Have Killed Tattooed on Their Right Arms and the Women They Have Killed on Their Left Arms — Thirty-Foot Wells Dug with Small Sticks!
SEE Children's Teeth Knocked Out with Stones — Holes Punched Through the Lower Lip and Lip Plugs of Milky Quartz Fashioned and Inserted!
SEE The Skirts of the Crusaders — the Catalan Forge — Unbearable Temperatures up to 150 degrees — the Melting of Solid Iron — Jungles Bristling with Wild Animals Invaded by Karamojans Armed Only with Spears!
SEE The Amazing Bleeding of Animals for Food — Karamojans Grow into Giants on a Diet of Only Blood and Bone — They Have Never Tasted Vegetables, Seafoods, Fowl, Meats or Bread!
SEE Soap Made of Sand — Teeth That Know No Decay — World's Most Elaborate Hair Stylings — Incredible Earrings — Hundreds of Other Wonders of This Strange Land Where Wives Die Off Their Husbands' Toes as Punishment for Misbehaving!
SEE People Who Pay No Taxes — Suffer No Disease — Commit No Years — Living Today in the most Primitive and Uncivilized Customs of the Earth's History!

They Never Heard of IKE, JOE or MARILYN MONROE!

UNCIVILIZED... UNCENSORED... REAL!

The World's Most Primitive People!
Seen for the first time! Incredible and shocking sights that can never be filmed again!



THE LAND OF LOST PEOPLE
IN NEW PASTIMAN COLOR
Produced by MATT FREED
Directed by Dr. and Mrs. Wm. B. Huels
A Huelsco Attractions

2nd Big NEW Hit!
Quentin Reynolds' Story
"HALF-WAY TO HELL"
—RAPE OF THE HUMAN RACE
Cost of Thousands — Some Living, Some Dead!
Prices this show only —
Adults — Mat. 50c — Eve. 1.00
Children — 30c