

Secret White House Sessions Chart U.S. Plans for Formosa

By JOHN M. HIGHTOWER
WASHINGTON (AP)—President Eisenhower and his top advisers in the Cabinet and National Security Council are reported to have charted new moves in the Formosa crisis at secret White House sessions Friday.

Informed officials said Eisenhower would send to Congress early next week a proposed joint resolution authorizing use of American air and naval forces in regrouping Nationalist China's troops, as necessary.

Some of the Nationalist-held islands along the Red China Coast would be abandoned as militarily worthless. Other islands like the embattled but strongly defended Tachens would be evacuated if Red Chinese pressure became too heavy.

Troops removed from such places would be used to reinforce islands still to be defended—and Formosa itself.

Eisenhower met with the National Security Council for 50 minutes, then spent about 30 minutes with his Cabinet. Such meetings are traditionally secret. Several sources, however, said the Formosa situation, including the proposed resolution, was taken up.

Other developments: 1. Diplomats said the United States and Britain are keeping in close touch on the possibility of having the United Nations try to negotiate a cease-fire between the Chinese Communists and Nationalists.

The subject has been talked about for weeks among diplomats of the two countries in Washington, London and New York. Ambassador Sir Roger Makins took it up again Thursday with Dulles.

2. New Zealand Prime Minister Sidney Holland, passing through en route to London, conferred with Eisenhower and later with Dulles. New Zealand began advocating U. N. action for a Formosa cease-fire a year ago.

3. An intelligence report that two or more Communist submarines are operating in the Formosa Strait became an influential factor among congressmen discussing the expected resolution on 7th Fleet evacuation authority.

It indicated an element of risk in the whole situation which made them wonder how far they should go.

4. Dispatches from Taipei, Formosa, said news of the possible evacuation of some of the islands near the Red China Coast had jolted the Chinese Nationalist capital.

They indicated, however, that the Nationalist government would go along even though it preferred fighting to hold all valuable territory rather than giving up any.

5. U. N. Secretary General Dag Hammarskjöld is reported to have told Premier Chou En-Lai in the Red capital, Peking, two weeks ago that his belligerent attitude toward Formosa was a cause of world tension, a denial of peaceful intentions and politically and morally unjustified.

Chou had tried to tell Hammarskjöld the whole thing was the fault of the United States.

Comments of congressmen indicated the probability but not certainty that President Eisenhower would get whatever authority for action he might reasonably ask for, but that he would not get it without opposition.

Senator H. Alexander Smith (R-N.J.) said Congress would approve any request by the President for evacuation authority.

Some influential Democrats were described as being against a special authorization act. But they also felt that Eisenhower's great prestige would virtually kill off the effect of any opposition.

Senator Sparkman (D-Ala.), member of the Foreign Relations Committee, said he did not believe Eisenhower needed any formal action by Congress to do what he may need to do in moving Chinese Nationalist forces.

The fact that the administration was reported ready to seek congressional backing indicated, he said, that it feared evacuation would mean "war-like" action.

Senator Morse (Ind-Ore), another foreign relations committee member, said he would support a specific authorization for the President to move the Chinese troops but would oppose any blanket grant of authority.

Chairman George (D-Ga.) of the Senate Foreign Relations Committee said "There is an indication there may be a message" to the Congress from President Eisenhower Monday, but he added: "I don't know if the message will come. If it does come, I don't know what it will contain."

Asked if he knew whether such a message would be submitted to person by the President or merely sent to the Capitol, George said he had no information on the point.

He said he knew of no request for a joint session of Senate and House, which would be assembled if Eisenhower were to appear personally.

30 KILLED IN CRASH
MEXICO CITY (AP)—A crowded interurban bus fell down a canyon and burned 50 miles south of here Friday. Police estimated 30 persons were killed.

Tells of Soviet Captivity



WEST BERLIN—Pvt. William Verdine (left), 28-year-old American soldier released in Germany by his Russian captors, talks to Col. Everett G. King, commandant of the U. S. military hospital where Verdine is undergoing a physical checkup. Pvt. Verdine, of Starks, La., is under military arrest pending investigation into his failure to return to his unit at Coburg, Germany, in February, 1949. The soldier said Friday he believed the Russians are building an atom-splitting plant at Vorkuta, notorious Arctic slave labor camp where he spent 30 months. (AP Wirephoto)

Saturday Closure of Offices Urged By County Association

The executive committee of the Association of Oregon Counties will recommend to the state legislature that it pass a law authorizing the closing of county offices on Saturdays, a meeting of the committee decided here Friday.

At the same time, Judge Rex Hartley of the Marion County Court was elected president of the association. He will serve out the unexpired term of Judge George I. McBee, Benton County, who had to retire from the position because of ill health.

Judge Hartley will serve until Jan. 1, 1956.

The executive committee will recommend that the bill to be submitted to the legislature authorizing Saturday closures carry the provision that county courts be allowed to decide whether they wish to close offices in their respective counties.

Action taken by the legislature some years ago authorized the closing of Multnomah County offices on Saturday. It is the only county in the state doing so. A special bill to allow closing of Marion County offices was submitted to the legislature two years ago but was defeated.

Proponents of such measures have argued that the county offices do little business on Saturdays. It is understood that in the next few days a member of the legislature, yet to be chosen, will be asked to prepare the bill.

In other business, the committee discussed the feasibility of enlarging juvenile judges' powers in the governing of juvenile detention homes. Increased powers would relate to the appointment of personnel.

At present, only two counties, Multnomah and Lane, have such homes. The group also discussed some 30 bills involving county business now pending in the state legislature.

Committee members are Judge F. L. Phipps, executive secretary, Wasco County; Judge Lloyd Rea, Baker County; Judge Guy Boyington, Clatsop County; Judge Hartley; Judge Ward R. Webber, vice president of the committee, Wasco County; Judge James W. Harrison, Coos County, and Commissioner Jess Minson, Crook County.

SCHOOLS MERGED

JOHN DAY (AP)—The school districts of John Day and Canyon City will be merged as the result of a special election Thursday. Residents voted 331-220 for consolidation after rejecting it last November.

Saturday Nite

Larry & His Cascade Range Riders
"Western Dance Band"

AUMSVILLE PAVILLION

3rd Man Held In Contempt in Portland Court

PORTLAND (AP)—A federal court jury Friday convicted the third man found guilty here in three days of refusal to answer questions at a House Un-American Activities Committee hearing last June.

As in trials of the two previous days Judge George H. Boldt of Tacoma instructed the jury that the only question before it was whether the man deliberately refused to answer the committee's questions about where he lived, where he was employed, where he had gone to school and similar facts.

John R. MacKenzie, a former grocery store manager, was convicted on four counts. Thursday Herbert Simpson, 33, a former trucking company clerk, was found guilty. Wednesday Donald Wollam, 40, a former dock worker, was convicted. Defense attorneys plan appeals.

They face maximum penalties of a \$1,000 fine and a year in jail. The judge said he would sentence the three Jan. 31 and then set the date for the trial of Thomas G. Moore, a fourth man indicted for contempt as a result of the hearing. Moore, formerly of Portland, now lives in Los Angeles.

Bootleggers Hit In Portland Raids

PORTLAND (AP)—Liquor commission officers and city police swooped down on bootlegging places they said were selling liquor after-hours early Friday.

They arrested four persons and confiscated liquor and gambling equipment.

There were 40 patrons at one place, known as the Key Bridge Club. Lt. Gordon McReary of the liquor commission called it one of the largest illegal operations ever uncovered here.

At The Theaters Today

ELSINORE
"CARMEN JONES" with Dorothy Dandridge, Harry Belafonte
"SECURITY RISK" John Ireland and Dorothy Malone
CAPITOL
"TWIST OF FATE" with Ginger Rogers
"KHYBER RIFLES" with Richard Egan and Dawn Addams
GRAND
"LIVING IT UP" with Dean Martin and Jerry Lewis
"THREE HOURS TO KILL" with Donna Reed and Diane Foster
HOLLYWOOD
"SEVEN BRIDES FOR SEVEN BROTHERS" with Jane Powell and Howard Keel
"THE SEA AROUND US"

Living Costs Lowest Since May of 1953

WASHINGTON (AP)—The cost of living, as measured by the government, dipped slightly in December to reach the lowest level in 18 months.

A new drop in food prices was given major credit for the decline in a report issued by the Bureau of Labor Statistics Friday. There was also evidence that rents are being cut in some areas.

The index kept by the bureau dropped three-tenths of 1 per cent between November and December, reading 114.3 per cent of the 1947-49 base period average.

This matched the largest decline between any two months of 1954 and was the lowest level since May, 1953. From the start to the end of 1954 there was a living cost reduction of one-half of 1 per cent. This was the first time living costs were lower at year end than when a year began since 1949.

Despite the gradual consumer price decline during most of last year, the year-end level still was relatively high, being only about 1 per cent less than the October, 1953, living cost peak, when the government index was 115.4.

Mrs. Arnyce Joy Wickens, acting statistics commissioner, reported a tendency toward lower rents. She said that while rents soared 38 per cent between mid-1947, when controls began to be lifted, and the end of 1953, rents increased only 1.4 per cent all last year.

"During 1954," she said, "rent decreases began to appear more frequently, particularly in smaller cities, and more recently in a few large cities."

E. G. Ricketts To Take Helm Of Engineers
Ellsworth G. Ricketts of Salem, bridge investigations engineer with the State Highway Department, will be installed as president of the Mid-Willamette section of the Professional Engineers of Oregon tonight in Portland.

R. H. Baldock, state highway engineer, will be named "Engineer of the Year" by the same organization at the meeting at the Columbia Athletic Club.

Ricketts has been with the highway department since his graduation in civil engineering from Oregon State College in 1919, except for several years during World War II. Those years he was federal supervising bridge construction engineer on the Alcan Highway in Canada.

Youths, Who Stole Gun Placed on Probation

Two lads, who admitted the theft of an air rifle from a local store, were placed on probation for 180 days each in Marion County District Court Friday and told by Judge Edward O. Stadter Jr. not to associate with each other during that time.

The two, Blaine William Cooper, 19, 1254 Eighth St., and George Vernon Elgin, 18, 853 S. Commercial St., were charged with taking the rifle last Wednesday.

The tug Salvage Chief and the Navy tug which was towing the vessel at the time of the grounding freed the vessel and took it to Astoria for survey of possible damage.

Transport Freed From River Bar

ASTORIA (AP)—The Gen. C. H. Muir, a deactivated Navy transport, was pulled free on high tide early Friday from sands at the Columbia River entrance.

The transport was being towed to San Diego to enter the reserve fleet when it went aground Thursday.

The tug Salvage Chief and the Navy tug which was towing the vessel at the time of the grounding freed the vessel and took it to Astoria for survey of possible damage.

Three Carriers Off For Trouble Spots

MANILA (AP)—Three fast carriers—the Essex, Kearsarge and Yorktown—left Manila Bay Saturday for what the Navy termed exercises at a "regular operational area."

A well-placed Navy source at Pearl Harbor said it would be a "safe assumption" that the carriers were headed for the troubled Formosa area.

The Chinese Reds captured a small Nationalist outpost island this week and now menace the 20,000 troop Nationalist garrison on the Tachen Islands 200 miles north of Formosa.

On "Routine" Trip
The area has swirled with hot land, sea and air actions all week. A Pacific Fleet spokesman at Pearl Harbor said that all he could say officially was that the carriers "have put to sea on routine training exercises from Manila."

Informed sources in Washington have said that President Eisenhower would seek congressional approval next week for the use of U. S. naval and air forces in regrouping Chinese Nationalist troops.

Evacuation Possible
Such an operation would involve evacuating Nationalist troops from islands in waters close to the China mainland, in reach of Communist bombers. Intelligence sources have reported at least two Communist submarines operating in Formosa Strait.

All three carriers are 33,000 ton warships of the Essex class. Each carries an air punch of nearly 100 planes.

Farmers Told Prospect Good For Irrigation
Statesman News Service
DALLAS, Ore.—Over 150 farmers and businessmen were told Friday at the Dallas Chamber of Commerce here that Polk County is a good prospect for a sound irrigation project.

Harold T. Nelson, regional bureau of reclamation director from Boise, Idaho, explained that the county lends itself well to such a project because it has a good existing economy and the use of water is varied.

Nelson said that his bureau works on a partnership basis with local interests and that water users are expected to repay project costs to the best of their abilities.

The Polk County Water Development Committee has proposed a project which would irrigate some 500 farms in the Monmouth-Independence-Dallas area. Congress is being asked for funds to conduct a feasibility survey of the proposed project.

Real Estate Firm Forms
Articles of incorporation were filed Friday for Del Johnson, Inc., at the Marion County Clerk's office. Purpose of the concern is to engage in building contracting and to buy, sell, own or lease real property.

The new corporation has authority to issue 1,000 shares of common stock at the par value of \$10 per share. Filing the articles were Del and Leona Johnson, and William Charack, all of Milwaukie.

Initial registered office of the corporation is given as 2442 Park Ave., Milwaukie.

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TONY LAVELLI, Yale's Concert Accordionist
KING and ZERITA, America's Foremost Mentalists

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