

Dulles Threatens Chinese Reds With 'Weapons of Precision'

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Declares Commies Still Seem Bent on Formosa Conquest

WASHINGTON (AP)—Secretary of State Dulles said Tuesday night the Red Chinese seem bent on conquering Formosa, but he warned them the United States has new "weapons of precision" which can annihilate their military centers.

He said the U.S., pledged to defense of Formosa, stands ready "to meet hostile force with the greater force that we possess."

In a nationwide radio-tv broadcast speech, the secretary of state did not name the new weapons. But he said they can be so pinpointed as to "utterly destroy military targets without endangering unrelated civilian centers."

This could mean "baby" atomic bombs, or guided missiles — or something not yet disclosed. His mention of not endangering civilian centers could be taken as a form of assurance to those — some American allies among them — who oppose the use of hydrogen bombs or conventional A-bombs as indiscriminate slaughter.

Warning to Reds
It also could be taken as a warning to any Red Chinese leaders who might figure they would be safe in launching an attack because the U. S. would never risk world-wide revulsion by the use of massive atomic or hydrogen weapons. Dulles was saying in effect that there would be no need to use these ultimate weapons, that others would suffice.

Dulles' speech was a report on his just-completed tour of Asian countries and the far Pacific. "Paper Tiger"
Red China, he said, seems "determined to try to conquer Formosa," and is spreading the propaganda that the United States is only a "paper tiger."

While practicing restraint against such taunts, Dulles continued, the United States must not let the free people of Asia get the idea that "our love of peace means peace at any price."

"We must, if occasion offers, make it clear that we are prepared to stand firm," he said, "and, if necessary, meet hostile force with the greater force that we possess."

"If the Chinese Communists engage in open armed aggression," he said, "this would probably mean that they have decided on general war in Asia."
Defense Treaties
"They would then have to take into account the mutual defense treaties of the United States with the Republic of Korea and the Republic of China, and the forces maintained under them."

"This general war would confront the Chinese Communists with tasks at the south, center and north, tasks which would strain their inadequate means of transportation."

"The allied nations possess together plenty of power in the area. The United States in particular has sea and air forces now equipped with new and powerful weapons of precision, which can utterly destroy military targets without endangering unrelated civilian centers."

Wilson Opines
Secretary of Defense Wilson supplied the opinion at a news conference Tuesday that the Chinese Reds do not have the capacity to invade Formosa. He said the Formosa Strait would be a "more formidable obstacle" to invasion than the English Channel was in the Normandy landings of World War II in 1944.

Sen. Mansfield (D-Mont) said "Secretary Dulles has laid it on the line — the days of retreat by America in the Far East are 'The decision,' Mansfield said, 'now lies in the hands of the Chinese.'"

Premier Nagy of Hungary censured by Communists
LONDON (AP)—The Hungarian Communist Party Wednesday denounced Premier Imre Nagy, spokesman in his country for the Malenkov policy of better living conditions.

Budapest radio announced the party censure, which accused the 59-year-old veteran Communist of "right-wing deviationism."
Nagy has been reported on his way out of favor for some time.

Stocks Drop as Solons Hear Plea for 'Cash Only' Sales
of the disastrous market crash of 1929.
While saying there is too much speculation, Galbraith added there are some "formidable safeguards" against a 1929-type crash.

A reporter referred to Galbraith's testimony as "gloomy," but Fulbright said:
"It wasn't a gloomy statement. He only said we should be cautious. We should be cautious when we are walking across the street."

In urging "strongest precautionary measures" to avoid a bust such as occurred in 1929, Galbraith told the committee that "prevention rather than cure is our best hope."
Galbraith is the author of a book, "The Great Crash," to be published next month, dealing with the 1929 crash.

State Employees Group Calls Barrington Pay Survey 'Unacceptable'

The Oregon State Employees Association, through its legislative committee, said Tuesday the Barrington salary and classification survey report was "unacceptable" to the association in its present form.

This was regarded by Capitol observers as a heavy blow to the report, which is already under fire from other state agencies and individuals. The OSEA numbers 6,000 state employees as members.

State Employees Association officials indicated that if the Barrington report is not adopted by the Legislature "the great mass of information compiled on state workers' jobs and duties" can be used by the state civil service commission to set up a new salary and classification system for state employees.

"Major fault of the Barrington report," said OSEA President Virgil O'Neil, "has been a lack of time for the survey directors to properly evaluate the information they gathered. Consequently many points in the report are based on inadequate study."

The OSEA committee, making its first public stand on the report and the entire membership, together with O'Neil enumerated these points against the Barrington report:
There has been a lack of personal contact with other states in order to personally compare duties and salaries of Oregon state employees with those of other states. A check by mail, OSEA officials said, is not adequate.

Apparently not all of the many thousands of employees' job questionnaires were studied by survey directors. Only sample studies were made which did not "give the complete picture" on jobs and classifications.
Too many employees and department heads, probably numbering several thousand, are complaining about the report.

Too many jobs have been downgraded and salaries lowered.
(Additional details on page 2, Sec. 1.)

Bill for Garage Roof Changes State Policy

The State Board of Control at a meeting here Tuesday adopted a policy that hereafter no work on state buildings will be paid for unless such work is authorized by the board.

The announcement came after the board had voted to request the legislature to pay a \$4,429.71 bill for replacing a leaky roof on the new state motor vehicle pool garage. Board members said they were not advised that the roof was defective until it had been replaced.

Both Governor Paul Patterson and State Treasurer Sig Unander said they had assumed the leaky roof was replaced without cost to the state, until the time the bill for repairs arrived.

Lyle F. Bartholomew, architect, said he was informed that the material used in the first roof was superior in quality to most roofing materials on the market at the time the garage was constructed.

Governor Patterson insisted that a full explanation be made to the legislature in connection with the requested appropriation.
Secretary of State Earl T. Newb, agreed with other members of the board on the new policy.

Fire Damages Farm Home At Woodburn

WOODBURN—A fire at the Ben Baune house, a quarter mile west of Woodburn, Tuesday destroyed the second floor and attic before firemen from Woodburn and Gervais got the blaze under control after an hour's battle.

Woodburn Fire Chief Floyd Maricle estimated damage at about \$2,000. He said the fire started on the first floor near the furnace and burned between walls until it cropped out on the roof. The loss reportedly is covered by insurance.

Baune is a small-acre farmer on the Woodburn-St. Paul road. All furniture in the house was saved.

Animals Cracked
By Warren Goodrich
"He's gorgeous all right but I heard it's a false."

THE WEATHER
Salem Max. 59 Min. 29 Precip. .00
Portland 55 30 .00
Baker 44 21 .00
Medford 68 29 .00
North Bend 57 40 .00
Roseburg 55 30 .00
San Francisco 69 44 .00
Chicago 35 16 .01
New York 36 19 .00
Los Angeles 80 53 .00
Willamette River 4 feet.
FORECAST (from U. S. Weather Bureau, McNary Field, Salem):
Partly cloudy with a few light showers this afternoon and tonight. Partly cloudy Thursday. High today near 52, low tonight near 37.
Temperature at 12:01 a.m. today was 44.
SALEM PRECIPITATION
Since Start of Weather Year Sept. 1
This Year Last Year Normal
21.21 28.84 30.56

Street Becomes Canal in Kentucky Town



CATLETTSBURG, Ky.—This eastern Kentucky border city of some 5,000 has center of business district turned into canal Tuesday as flooding Ohio and Big Sandy rivers hit from two sides of unwall community. Truck was used in evacuating drug store goods when stalled by rising water, which is 2-5 feet deep here. (AP Wirephoto)

Hells Canyon 26 Perish in Crash Of Mexican Airliner

MEXICO CITY (AP)—Twenty-six persons, including four from the United States, were killed Tuesday in the flaming crash of a commercial airliner near Mexico's west coast.

The owner of the two-engine DC3, Compania Mexicana de Aviacion, said there were no survivors. Aboard were 23 passengers, including two children, and a crew of three.

The plane crashed into a wooded mountain peak shortly after taking off from Puerto Vallarta, on the Pacific Coast. It burst into flames and set fire to the surrounding forest.

The U. S. citizens board were identified as Edd Johnson, R. S. Hall, Dr. J. Ingler and a Dr. Hays. The airline said their home addresses were not available.

(The San Francisco Chronicle reported it had a staff member named Edd Johnson who was on leave at Puerto Vallarta. Johnson was formerly a correspondent for a Chicago paper and an editor of the New Republican Magazine.)
The crash occurred 16 miles north of Mascota, in the state of Jalisco. Its cause was unknown. Weather conditions were said to be good at the time. The plane was flying from Puerto Vallarta to Guadalajara.

Flames from the forest fire prevented rescuers from reaching the plane.

New Portland Video Station On Air Today

Salem area television viewers will if they wish, be seeing a new network telecast today when Portland's newest station, KFOR, goes on the air at 3 p. m.

The TV station, Portland's third will continue to telecast daily on channel 12 with ABC network shows and home talent.
Beginning today KFOR's complete daily schedule will be found on The Statesman's television page. Today's telecast will open with an introduction by Ron Myron, studio show director. Last program is a full length movie beginning at 10:45 p. m.

FAMILIES SNOWBOUND
ASTORIA (AP)—A resident of the southeastern tip of Clatsop County reported Tuesday that some 15 families are snowbound in the Camp McGregor area nine miles north of the Sunset Highway.

Eden Fails in Formosa Truce Try, Asks Isles Surrendered

By SEYMOUR TOPPING
LONDON (AP)—Foreign Secretary Anthony Eden disclosed Tuesday Britain's secret negotiations for a Formosa cease-fire have bogged down. He called on Nationalist China to open the way for a settlement by surrendering the offshore islands.

Eden told the House of Commons his soundings of Peiping show "the necessary conditions for progress" toward ending the China war "do not yet exist."
But the foreign secretary said secret contacts with Russia and Red China are continuing in an effort to get a Formosa cease-fire through "a conference or other discussions."

Eden's disclosures came during a report on his meeting with U. S. Secretary of State Dulles at the Bangkok conference and his 16 day swing through capitals of Southeast Asia and the Middle East.

Warning that further fighting in the Formosa Strait could lead to a "grave" consequences, Eden urged Chiang Kai Shek's Nationalists to take two steps:
"First, we would like to see them withdraw their armed forces from the other coastal islands. (Quemoy and Matsu). Secondly, they should let it be known that they... while maintaining their claims, will not prosecute them by forceful means, and will abstain from all offensive military action."
Eden appealed to Red China to refrain from attacking Quemoy and Matsu and "to make apparent" that it does not intend to take Formosa by force.

Amid cheers both sides of the House, the foreign secretary promised that a peaceful Formosa settlement would result in the West giving fresh consideration to Red China's claims to a seat in the United Nations.
Eden's apparent call for immediate Chinese Nationalist evacuation of Quemoy and Matsu indicated he still disagrees with Dulles over immediate disposition of the islands — despite efforts at Bangkok to smooth over the rift.

Flood Crest Rolls Closer To Cincinnati

CINCINNATI (AP)—The crest of a "major" Ohio River flood rolled closer to the heavily populated Cincinnati area Tuesday but the U.S. engineers reiterated "there has been nothing like a catastrophe."

The principal development Tuesday was a revision in the U.S. Weather Bureau's forecast of the crest here of from 61 feet to 61.5 feet. That would be 9.5 feet above flood stage.

The river already was in many low lying streets but it still had more than two feet to go to reach the predicted crest, due early Thursday.

From Cincinnati upstream, more than 900 Ohio families have been forced from their homes. The American Red Cross, which calls the situation of "disaster" proportions for relief purposes, said more than 2,000 families had been affected in West Virginia, Kentucky and Indiana.

There were no forecasts of any heavy rains, however, and that brightened the picture for the remainder of the week.

Baker Wreck Kills Mother, Unborn Twins

BAKER (AP)—A spectacular automobile crash here Monday night claimed the lives of a mother and her unborn twin daughters and hurt five other persons.

Mrs. Olvin D. Hale, 19, was being rushed to a hospital for delivery of her babies. As the car sped through a pass under the Union Pacific Railroad tracks it met another head-on.

The girls were born dead an hour after the crash, and Mrs. Hale died two hours later of her injuries.

There was no immediate police statement on blame for the accident, but skid marks indicated that one of the cars must have been on the wrong side of the street.

Mrs. George Hughes, riding in the car with Mrs. Hale, suffered a critical skull fracture. Jesse Hale, driver, suffered non-critical hurts. He was Mrs. Hale's brother-in-law. Others in the car were the expectant father, Olvin D. Hale, their 18-month-old son, and Barbara Lee, 18. All are from Baker.

Occupants of the other car, Mr. and Mrs. George Curtis, of Baker, suffered fractures and cuts.

Plan Would Have Brownsville Mill Built at Lebanon

BROWNSVILLE (AP)—A proposal has been made that the Brownsville Woolen Mills, destroyed by fire a week ago, be rebuilt at Lebanon.

But the owners, Chester Page and his three sons, Chester, Al and Raymond, said every effort was being made to resume operations here. An effort, unsuccessful so far, has been made to find new equipment.

The industrial development committee at Lebanon said it has had discussions with the Pages on the proposal to move there.

Schools to Close For Week During Spring Vacation
Salem schools will be closed next week for spring vacation.
Many teachers, however, are expected to be in Portland for three of the five days attending the Oregon Education Association conference there Thursday through Saturday.
Superintendent of schools Walter Snyder will also be out of town. He leaves Sunday for Denver, Colo., where he will attend a three-day meeting of the American Association of School Administrators.

By KARL R. BAUMAN
WASHINGTON (AP)—The stock market broke sharply Tuesday following testimony before the Senate Banking Committee that stock buying ought to be put on a cash basis, that there is too much speculation.
However, Chairman Fulbright (D-Ark) of the committee said of the market drop:
"I think it has no connection whatever with the study being made by this committee. I can't imagine how there would be any connection."
Some New York brokers attributed the sell-off in the market to testimony Tuesday by John Kenneth Galbraith, professor of economics at Harvard University, who urged "strongest precautionary measures" to prevent a repetition

Solons Favor Retirement Law Changes

By HECTOR L. FOX
Associated Press Writer
Broad changes in the public employees retirement law won speedy 27-2 endorsement Tuesday in the Oregon Senate.

Sponsors said the bill, which goes to the House, would benefit 14,000 state, county and city employees. But opponents argued it was "speculative" in savings to the state.

The measure contains two principal revisions. Exclusion of an employee's first \$600 of annual income in computing his retirement contribution now would be optional. Also, employees earning more than \$4,800 a year could continue their contributions to boost their ultimate benefits.

These revisions mean that lower paid employees in many cases would pay less into the system and receive slightly lower benefits.

WEDNESDAY EVENTS
10:30 a. m.—Election subcommittee bill in the Senate.
2:10 p. m.—Proposed constitution revision convention bill in the Senate.
7:30 p. m.—Bill for doctors' advisory committee to medical school, hearing before Senate education committee, Room 309.

fits on retirement, while higher paid employees could have more of their income covered by paying more into the system.

Sen. Carl Francis (R), Dayton, said there was no way to determine how many employees would exercise either option.

Doubts Claim
He asserted sponsors' claims of a \$300,000 state saving were speculative. Several cities, he said, including The Dalles and Oregon City, want to withdraw from the retirement plan.

Sen. John Merrifield (R), Portland, said the estimated saving was a maximum figure. He conceded it would be less in proportion to the number of employees who want to take advantage of the options. Merrifield added that he thinks less than 40 per cent of those earning above \$4,800 would want to make a change.

Goes to House
If enacted, employees could retire at age 65 at almost half of their salaries. The bill now goes to the House.

The Senate today will debate bills to have a constitutional convention in 1959, divide Multnomah County into legislative sub-districts, and repeal the law which sets forth physical education requirements in schools.

(Additional legislative news on Page 4, Sec. 2.)

End to 'Ideal' Weather Seen

Salem's weather continued close to ideal Tuesday with a high of 59, two degrees short of Monday's 61. A high of 52 is predicted for today, which is forecast to be partly cloudy with a few light showers this afternoon and tonight.

The state highway department Tuesday night reported virtually all highways free of snow but advised motorists to carry chains in the Government Camp and Timberline areas where plows were still operating.

Icy spots were reported at Sunset Summit, Warm Springs Junction, Prospect, Willamette Pass, Lakeview, Meacham, Austin and Basque.

National Demo Chief Plans Oregon Visit

PORTLAND (AP)—Oregon Demo crats scheduled a dinner meeting here on March 17 for Paul Butler, new Democratic national chairman.

Butler, a South Bend, Ind., author, will be making his first official visit to Oregon. State Chairman Howard Morgan reported.

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