

By Charles A. Sprague

The state of New York owns Saratoga Springs and bottles and sells their water. The federal government levied a tax on bottled water and soft drinks on which New York state claimed exemption on the ground that it was a sovereign state exercising its sovereign functions.

If the federal government may collect a bottling tax on Saratoga Springs water may it come along a little later and collect a tax on Salem's income from the water system or from Forest Grove's operation of an electric distribution system or on the very considerable income of the Port of Portland? Just what is to be the dividing line between governmental operations that are taxable and non-taxable? That question seems to disturb both the justices who assented to upholding the imposition of the tax (three affirmative opinions being rendered) and the two (Douglas and Black) who dissented.

One idea has been to separate "normal" functions of government from "trading" or proprietary operations: maintaining courts would be in the first class and running a public market in the other. But the court has "edged away" from such a distinction. Justice Frankfurter writes: "To rest the federal taxing power on what is 'normally' conducted"

(Continued on Editorial Page)

Use of Barracks As Extension Center Urged

EUGENE, Feb. 14 (AP)—Chancellor Fredrick M. Hunter of the state board of higher education pointed out today in connection with the investigation of the Klamath Falls marine corps barracks for the use in veterans' education that there are two possibilities—to operate the institution as a college or to operate it as an extension center. The latter method, he said would afford virtually the same service to veterans at no additional expense to them, and would be a much cheaper plan for the state to follow.

At a special meeting of the state board next Tuesday in Portland a report will be made on the Klamath Falls proposition and also a report on the possibility of the housing facilities at Vanport City being used as an extension center.

45 Varieties of Posies Shown By Gardeners

No less than 45 varieties of flowers are blooming in Salem these February days, it was indicated by the elaborate displays in the Salem Men's Garden club flower show Thursday night at the YMCA.

Three of the many exhibitors who placed 45 varieties from their out door gardens on display were awarded flowers and plant prizes. J. N. Glass was honored for the most unusual display, a large low box packed with green moss and decorated with a huge Valentine heart outlined in crocus and filled with red and white daphne petals.

Al Beckman won the prize for the best arrangement with a mixed bouquet and J. Moffenbier had the winning display of camellias. W. G. Nibler discussed rodent control, accompanied by slides. Ernest Lufner led a discussion on March gardening.

Animal Crackers

By WARREN GOODRICH



"He must be tremendously wealthy—eats nothing but first editions!"

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The Oregon Statesman

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16 PAGES

Salem, Oregon, Friday Morning, February 15, 1946

Price 5c

No. 279

Truman Shifts Top Economic Command

Bowles Handed New Post

WASHINGTON, Feb. 14 (AP)—The White House announced tonight a shakeup of President Truman's economic top command and establishment of a new and higher wage-price policy. President Truman shifted OPA Administrator Chester Bowles to the post of economic stabilization administrator with a broadened field of authority, and moved Chairman Paul A. Porter of the federal communication commission into the OPA post.

In a statement he announced modification of existing wage-price policy to permit wage increases within certain limitations and allow any industry placed in a hardship position by approved increases in wages to seek price adjustments immediately, without the present six months test period.

May End Strike The new policy provides a "basis" for settlement of the strike of 750,000 steel workers.

The president's executive order reconstitutes the economic stabilization administration under Bowles with the same broad authority it had during the war under former Economic Stabilizer William H. Davis.

The office, recently administered by John C. Collet, has been moved into the office of Reconstruction Director John W. Snyder since Davis' day. It stays there.

Bowles Supports Ross made it clear that Bowles was among those who pledged his support to the new policy in the two-hour conference in which President Truman participated.

Fire Damages Local Feed, Seed Store

D. A. White & Sons are continuing business on a limited scale in their feed and seed store at 265 State st., following a Thursday morning fire which destroyed the elevator shaft and otherwise damaged the store building.

H. O. White of the company said the loss would probably amount to several thousand dollars, but that it is entirely covered by insurance. Cause of the fire has not been determined.

Although some seed and other stock was lost, considerable supplies in nearby warehouses were untouched by the fire, White said. City firemen were praised by the proprietors for their speedy work in extinguishing the blaze before it could spread from the rear of the building.

First alarm was radioed to the city hall by City Police Officer Paul Nicholson, who noted smoke rising from the State street building as he made his rounds by automobile and who notified the police radio operator, who, in turn, called the city fire department.

Bush's Pasture Papers Signed, Park to Serve as Memorial

The city of Salem will own all of the 100-acre tract of the Bush estate known as "Bush's Pasture" and will take immediate possession of the southeast portion of it when \$150,000 of the 43 acres now owned by A. N. Bush and Sally Bush is paid. Deed to the 43-acre tract and a quitclaim deed to the 57-acre tract given to the city in 1917 were signed Thursday.

Because the original gift was made with certain requirements which have been withdrawn by Mr. Bush and his sister in the face of the city's purchase of the last 43 acres of the property, the quitclaim deed was considered necessary. It permits the city to turn over to Willamette university 10 acres for an athletic field (the university is paying \$25,000 of the \$150,000 purchase price set on the final 43 acres); it also waives a provision of the original gift deed, which would have obligated the city to construct a 2200-

New Coach



Walter E. Erickson, freshman dean and registrar of Willamette since 1939 and former all-around athlete there, who is announced as the new head football coach, succeeding Roy S. (Spec) Keene, grid coach for 17 years who recently resigned to go into business. (Details on sports page).

UNO Approves Permanent Site On East Coast

LONDON, Feb. 14 (AP)—The first assembly of the United Nations completed the business of its historic first session tonight by approving unanimously the Westchester-Fairfield area of New York and Connecticut as the new permanent world peace capital and calling upon all nations to take swift action against global famine.

By acclamation, the assembly in the closing minutes of its meeting in central hall also voted for New York City as the temporary headquarters of the world's peace agency. The assembly will meet for its second session in New York on Sept. 3.

One of the final actions of the delegates was to call upon member nations of the organization for "immediate and drastic" action to head off starvation in the world. The assembly asked the nations to conserve food supplies and grow all the grain possible.

When the vote on the location of the temporary and permanent sites had been completed, Edward R. Stettinius, Jr., chief of the American delegation, arose to express appreciation for the "great honor bestowed on the United States of America."

276 Killed in Algeria Quake

PARIS, Feb. 14 (AP)—At least 276 persons were killed and 70 injured in an earthquake that shook the mountainous region of northeastern Algeria, and rescue workers were still digging in debris of fallen buildings for additional victims, advices from Algiers said tonight.

The main shock in the earthquake yesterday was felt in an area southwest of Constantine, which is 80 miles southwest of the Mediterranean port of Bone. Strong tremors were felt also at Setif.

Truman Begins Search For Successor to Ickes

By Douglas B. Cornell WASHINGTON, Feb. 14 (AP)—President Truman began hunting today for the "right man" to run the interior department while the capital still shook from the blast of Secretary Ickes' dynamite-charged resignation.

Mr. Truman went over a list of possible successors in separate conferences with several western congressmen. He was reported to be looking for one with sufficient stature to take some of the sting out of Ickes' abrupt, snorting departure.

Senator O'Mahoney, Wyoming democrat, was one White House visitor. He has been mentioned as a prospect. Several senate colleagues named factors which they said point to O'Mahoney as the leading possibility.

But O'Mahoney himself offered White House reporters no hint whether he had been offered the assignment or whether he would take it if nominated. Senator Hatch (D-NM) said he and Mr. Truman had dis-

cussed several persons and that the president "is searching for the right man."

Ickes set off a political earthquake when he quit yesterday with a declaration that he could not "retain my self respect and stay in the cabinet of President Truman."

There was no question that the president had on his hands one of the hottest political problems of his White House career.

But Senator Murdock (D-Utah) left a meeting with Mr. Truman, saying: "The president of the United States indicated to me he is taking all his troubles in stride. He looks fine."

Other possible Ickes successors mentioned included William O. Douglas of Oregon, associate supreme court justice, for the cabinet vacancy. Pure speculation among congressmen had it, too, that Secretary of Labor Schwellenbach, from Washington, or Secretary of Agriculture Anderson, from New Mexico, might be shifted to interior.

Murderer, Burglar Escape State Pen, No Trace Reported

A murderer serving a life term and another convict escaped from Oregon state penitentiary in the fog early Thursday, and no trace of them had been reported by late Thursday night.

Law enforcement authorities of Salem and vicinity were on the lookout for a car or clothing theft or any other clue to the getaway.

of the two men, but none had developed during the day.

The escaped men are Allen D. Brumfield, who was serving a life term killing a hospital attendant in a Portland escape attempt seven years ago, and Harold W. Manning, who was up for five years for burglary in Clackamas county.

Production of Alumina Set to Start April 15

One hundred tons of alumina should come from the great kiln at the Salem alumina plant April 15, chemical engineers who showed representatives of Salem veterans' organizations through the pilot plant Thursday said.

Five hundred tons of the clay from which alumina is to be made have been baked and a portion of this raw material has been further processed, but final operations by which the alumina is actually separated from other portions of the clay have not been started, the visitors were told.

The first 100-ton batch should be sufficient to provide approximately 66 tons of aluminum when the oxygen content has been removed, it was said. First clay to be baked came from Castle Rock, Wash.

Eighty-four World war II veterans are among the 195 persons employed in operation of the plant which is still under construction by the Chemical Construction corporation for the federal government. (Additional details on page 2.)

Bus Drivers Accept New Company Proposal

BOISE, Idaho, Feb. 14 (AP)—Boise division Overland Greyhound bus drivers voted unanimously tonight to accept a new company proposal and agreed that they would return to work, Howard Adams, chairman of the Boise union local, reported.

Adams and V. L. Middleton, superintendent of the Boise division of the Overland Greyhound lines, said regular schedule of service would be resumed Sunday midnight.

CLERGY ARRIVE IN ROME

ROME, Feb. 14 (AP)—Archbishops Francis J. Spellman of New York City and John Glennon of St. Louis arrived this afternoon, completing the United States delegation for the historic ceremonies next week in which 32 new cardinals will be created in the Roman Catholic church.

WOODBURN LEGION FILES

Incorporation papers were filed Thursday, with the Marion county clerk for the Woodburn post no. 46 of the American Legion.

New Diplomat



WASHINGTON, Feb. 14 (AP)—Gen. Walter Bedell Smith, who will replace W. Averell Harriman as United States ambassador to Russia.

Gen. Smith New Ambassador to Soviet Union

WASHINGTON, Feb. 14 (AP)—President Truman announced tonight that he had accepted the resignation of Averell Harriman as ambassador to Russia and named Lt. Gen. Walter Bedell Smith as his successor.

Press Secretary Charles G. Ross, who made public the president's announcement, said that legislation would be asked tomorrow to permit Smith to take the post without affecting his military status. The nomination will be formally submitted later.

Smith served as chief of staff for Gen. Dwight D. Eisenhower in Europe.

The announcement marked the second time the chief executive had turned to the military for an important diplomatic appointment. Recently he named Gen. George C. Marshall as ambassador to China.

Ross Planning To Buy Cows On Jersey Isle

SILVERTON, Feb. 14 (Special)—Rex Ross plans to sail for the Isle of Jersey on February 27 or 28, to buy around 40 registered Jerseys, for shipment here. He will leave here within a few days, visiting in Ohio and attending the National Jersey Cattle club in New York before embarking.

Ross said he expects to return within two months, in time to show some of his new cows in the Marion county spring show.

Ed Seaman of Marquam is making the trip with Ross. He will visit in England with sisters he hasn't seen for 42 years.

No Jerseys have been imported since Pearl Harbor.

Nimitz Outlines Plan for Bases To Make Atom Attack Difficult

By Jack Bell WASHINGTON, Feb. 14 (AP)—The navy outlined to congress today a proposed system of 53 overseas bases for which, Adm. Chester W. Nimitz said, Carrier-paced fleets could make it "very difficult" for an enemy to attack this country with atomic bombs. Secretary Forrestal asserted that the country must be ready for "immediate advancement of our forward lines" from those bases, to head off any atomic bomb or robot missile threat.

The navy secretary led a procession of admirals before the senate naval affairs committee in support of a post-war navy of 319 active combat ships, an aerial striking force of 3781 planes and a complement of 500,000 enlisted men and 36,000 officers.

Questioned about the prospective \$5,073,000,000 cost of all this in the next year, the cabinet member conceded that national security is "expensive" but added: "I cannot help but feel that if this country, in the present state of the world, goes back to bed, we don't deserve to survive."

City May Ballot On Additions

A special election in Salem and in the districts which have by that time petitioned for annexation to the city will be held as soon after April 2 as it is possible, if the advice of the special annexation committee is taken by the city council.

Alderman James Byggs, chairman, announced Thursday that the committee had determined to recommend that an annexation election be held shortly after the deadline date for petitions set a year ago by the council. The committee will ask, he said, that the election be held in the districts petitioning as well as in the city, although an area in which 100 per cent of the property holders have signed the petition would not be required by law to vote on the question. There is danger, the committee will point out to the council, that ownership of property in the affected districts may change between time of the petition and date of the election, so balloting there would be a wise precaution.

Three Petitions Filed Three petitions have already been filed with signatures of 100 per cent of property owners, while a fourth has 92 per cent. It is property in the Valley Packing company district just north of the city limits; a group of business properties along Portland road, and Lone Oak Village area are represented by 100 per cent petitions, while a 14-block district bounded by South Commercial, Summer, Hoyt and McGilchrist streets has approximately 92 per cent of its property owners' signatures on petitions. A petition, just started, in the Candelaria Heights, Buena Vista area south of the city limits, where there are few property owners, is expected to be 100 per cent signed.

Cannot Vote in May The annexation question cannot be considered at the regular primaries in May, because of charter requirements, but a change in city government to reduce the size of the council and place management of most of the city services under one head can be voted upon at that time, the special "form-of-government committee held Thursday. Its chairman, Alderman A. H. Gille, announced it would bring ordinance bills before the city council next Monday night to place its recommendations for a seven-man council before the voters at the May primary elections.

Judson to File For Legislature Lewis Judson, farmer and dairyman of 1000 Judson st., Thursday said he would file later this week for place on the republican primary ticket for representative to the state legislature from Marion county, 12th district.

Judson, who has been on the county republican central committee for 30 years, lost the nomination he seeks by only 118 votes two years ago.

At the Frye & Co. packing plant which figured in the news in 1943 when an experimental bomber crashed into the building—a two-story brick wall fell, smashing an unoccupied shop.

The 42-story Smith tower here swayed crazily north and south, observers said, and radio workers on the 23rd floor estimated their studio moved as much as four feet.

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Army Lowers Draft Physical Standards

WASHINGTON, Feb. 14 (AP)—The army today lowered its physical standards for draftees and asked for 125,000 in April.

The regular monthly draft call has been 50,000 but that rate has not been met since V-J day.

The war department said it hopes by this means to get the full 250,000 men the army needs from selective service in the first five months of this year. This number is required in addition to enlistments to provide replacements for men discharged.

The army asked draft boards to induct immediately these 45,000 men previously disqualified for physical reasons—who can meet the lowered standards.

Alaska Glad Ickes Resigned

JUNEAU, Alaska, Feb. 14 (AP)—This capital of the Territory of Alaska and other cities of America's northland raised no cries of "foul" when they learned that Harold L. Ickes, self-styled "Old Curmudgeon," had resigned as secretary of the interior.

"Alaska has suffered under Ickes' iron rule for 13 years," the Daily Alaska Empire said. "There is hope that a man from the western states who may have a more sympathetic attitude toward Alaska will succeed Ickes. The Ketchikan Chronicle suggested that Friday—the date his resignation becomes effective—be designated "V-I Day."

MUNDT SEEKS REELECTION Alfred Mundt, 1415 Saginaw st., filed Thursday for nomination to a second term as Salem city recorder. Mundt's notice was filed in his own office in city hall.

Weather table with columns for location, Max, Min, Rain, and Forecast.

Center Of Quake In Olympia

Damage Light, Shock Continues For 20 Minutes

SEATTLE, Feb. 14 (AP)—An earthquake rocked the Pacific northwest coast tonight from northern Oregon to Canada, shearing a cornice from a hotel roof in Olympia, Wash., and toppling the brick wall of a packing plant and bursting a 150,000-gallon water tank in Seattle.

There were no reports of injuries, although the shock was felt from Salem north through Portland, Tacoma and Seattle to Vancouver, B. C., and from the coast to central Washington.

The quake struck at 7:18 1/2 p.m. Pacific standard time, and G. E.

Last night's earthquake didn't draw much interest in the Salem area. It was noticed in some sections, however, including Gilbert's Hillside shop on the South River road, where Francis Welch and three others reported a chandelier started to swing and other objects in the room shook in the tremor.

Goodstreet, professor of geology at the University of Washington, said the seismograph needle at the university jumped from its drum. The shock was apparent to Seattle residents for less than a minute, but Goodstreet said the seismograph continued to register for 20 minutes.

Broke Windows He said it centered, apparently, in the Olympia-Chehalis district. Windows were broken in the state capital city of Olympia and cracks appeared in one of the state buildings. A woman fainted.

The water tank was atop the 14-story Fisher flouring mills plant. When it burst and fell it cracked the roof and water cascaded down stair walls. Harold Herzog, superintendent of warehouses, said no workmen were injured but that there was some damage to machinery. The damage to stored wheat and flour was not believed extensive, he said.

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