## Labor Balks New Wage-Price Policy The Oregon Statesman SEEMS ITH

WASHINGTON. Feb. 25-(AP)-1 step in carrying out his policy by Organized labor balked at wage issuing an executive order re-escontrol features of President Tru- tablishing the office of economic By Charles A. Smaple man's new wage-price policy to- stabilization as it had existed durday while funds for enforcement ing wartime. Bowles was given were threatened and congress the job of director.

heard living costs may soar another 10 per cent.

well be considered at the same time with Polanyi's "The Great Transformation." Both authors resided in Vienna and lectured and wrote on economics in the period it "could not commit itself" to the around 1930. Their thinking developed very differently; and the increases by the wage stabilization two books present contrasting board. It proposed that the board views on the subject of economic remove this requirement by a resolution. freedom

Continuing "The Danubians":

Hayek's "Road to Serfdom" may

2. The AFL foresaw new strikes The Hayek book was a "discovery" in 1945. It was reprinted among its unions which had setin condensed form in the Reader's tled for less than the patterns Digest and this reprint was widely which might be set by the board. circulated. It was an answer to the 3. The senate appropriations that scrapping them might have business man's prayer: A profes committee cut by half the funds sor's repudiation of the new deal the house had voted to operate ple lost confidence in the purchasand socialist planning. Based on the OPA and the civilian produc- ing power of the dollar. his observation of the growth of tion administration for the next totalitarianism in central Europe, four months,

the development of central or gov- of the federal reserve board told gains tax to put the brakes on fense investigating committee toernment planning, regarding it as the house banking committee speculative buying, and that the day by Senator Brewster (R-Me.). leading to the dictatorial state. there is "some possibility" of a government should refrain from To quote:

"There can be no freedom of cost of living as a result of the bringing about a balanced bud- settlements with Britain said such thought, no freedom of the press new presidential wage-price poli- get and beginning to pay off some a ban legally could be enforced where it is necessary that every- cy.

thing should be governed by a single system of thought. In theory socialism may wish to enhance collectivism, the ruthless exploitation of the principle that 'the whole comes before the individual' and the direction of all members of society by a single will supposed to represent the whole."

centralized state, I confess (Continued on editorial page)

# **Death Takes Deputy Clerk** Of High Court

Henry Merman Kloepping, who here from Nashville, fifty miles had been deputy clerk of the state away, with eighteen state patrolsupreme court since 1930, died at men to assist Columbia's eight Civil courts and their safeguards his home, 471 N. Winter st., Sun- man police force. day after a three-months illness. He was 65 years old.

Kloepping was born in Ne- surrounding towns and as far braska and came to Oregon first away as Chattanooga and Knoxvil. by military courts established in ing he is certain such equipment in 1910, studying at Willamette le, 100 and 150 miles respectively Hawaii after Pearl Harbor. university. He left to become vice from Columbia. Shortly after midnight acting

A high government official, in close touch with the labor situa-These developments came thick tion, declared the labor opposition indicated a "build-up" to and fast:

withdrawal of labor members 1. The CIO told Economic Stafrom the WSB. The wage board bilization Director Chester Bowles has two public members, two from management and two from labor order calling for approval of wage -one each from AFL and CIO. Eccles, federal reserve chief, noted that living costs had risen

by 30 per cent since pre-war days, and said they might climb another 10 per cent under the new policy. He urgently supported the administration drive for continuation of price controls, warning "disastrous" consequences if peo-

He proposed continuation of Hayek views with grave alarm 4. Chairman Marriner S. Eccles substantial increase in the capital was voiced before the senate defurther rise of 10 per cent in the creating further bank credit by

Mr. Truman took an essential possible.

# freedom, but in practice totalitar-ianism is nothing but consistent State Troops Called as Race **Trouble Feared in Tennessee**

COLUMBIA, Tenn., Feb. 26 .- (AP)-- (Tuesday)-Squads of state militiamen from surrounding middle Tennessee towns mounted riot Hostile as I have been to the guns in Columbia's public square today following an outbreak of shooting in which four policemen were wounded.

Sheriff J. J. Underwood said the disturbance started in this town of 12,000 last night after the arrest of a negro woman and her son

on assault charges. Underwood | said the two, Gladys Stephenson and her son, James, were accused of shoving a white radio repairman, William Fleming, 23, through a plate glass window on the public square during the afternoon. 2 Civilians in -Tension mounted as the night wore on and state safety commissioner Lynn Bomar, under orders of Governor Jim McCord sned of Governor Jim McCord, sped

WASHINGTON, Feb. 25 -(AP)

In a six to two decision, the stances.

court held that the military Hubert Navlik, state departcourts set up under martial law

Brewster **Calls For Arms Ban** Asks U. S. Policy **To Forbid Use of** 

NINETY-FIFTH YEAR

10 PAGES

## **American Guns**

WASHINGTON, Feb. 25-(AP)-A demand that Great Britain be instructed not to use American guns OPA for at least another year, a to "shoot down Jews in Palestine" Witnesses testifying before the committee on proposed financial of the nation's debt as soon as but declined to pass on policy. Brewster told a reporter he wants Secretary of State Byrnes to state

> this country's stand. The reported use of American war equipment by Britain in quelling uprisings in Palestine, Indies came into the committee's discussion over \$4,705,000,000 in lend - lease military equipment still held by the British.

U.S. Keeps Title Thomas B. McCabe, foreign liquidation commissioner, told senators that since the United States retains title to this equip-

ment and can reclaim it, it had been decided not to attempt to sell it to the British. If it were sold, he pointed out

that the British could make any use of it they chose, including its resale to other nations. As the resell without prior American approval and turning the proceeds to the United States.

Alleges Use in Outbreaks Brewster inquired if this counare "indispensible to our system try legally could "sterifize" the They were joined later by state of government," the supreme equipment in question, by forbidmilitia troops ordered out from court said today in ordering re- ding its use in colonial outbreaks. lease of two civilians convicted He told a reporter after the hearing he is certain such equipment has been used in these circum-

CHUNGKING, Feb. 25.-(AP)-

Salem, Oregon, Tuesday Morning, February 26, 1946

FOUNDED 185

Germans Leaving Prinz Eugen Last Minute Act

**Averts Power** Strike in East

Price 5c

No. 288

#### Pittsburgh Union Will Arbitrate; **AFL Out of N. Y. Transit Walkout**

PITTSBURGH, Feb. 25 .- (AP)-A power strike scheduled for 12:01 a. m. tomorrow was postponed tonight for one week during which an attempt will be made to arbitrate wage differences between the Duquesne Light co., and its independent union.

George Mueller, president of the union, made public the text of a statement which said the group "decided that the strike that is scheduled to start

By the Associated Press

ed Monday in Detroit that "Pres-

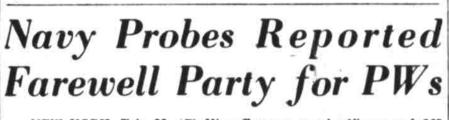
# **To Arbitrate** In Portland

dent Fruman let us down by not PORTLAND, Ore., Feb. 25. (AP) seeing that the report of his fart CIO cargo checkers notified the finding committee (in the Gen-

posed more than a month ago that Members of the supercargo and a 1912 cent (17.5 per cent) wage checkers union were sent home increase be granted to settle the this morning after reporting for walkout of 175,000 production work in the face of the operators' workers at GM plants in 20 states. announcement the union contract The strike went into its 98th was cancelled as of 8 o'clock this day today (Tuesday) and UAW morning. Longshoremen and walk- vice president Walter P. Reuther ing bosses, members of affiliated declared "thus far no agreement waterfront unions, were expected has been reached and none is presto halt loading, but continued to ently in sight."

handle marine cargo throughout Thomas asserted in the autothe day. motive dispute that the president The arbitration offer, signed by "should sell the recommendation CIO business agent H. W. Hanks of the fact finding board to the declared the union wanted "to people before calling the parties continue to work . . . and bring to Washington " after Senator about a settlement" of the month Claude D. Pepper (D-Fla) sugold dispute over number of cargo gested that Mr. Truman call both checkers to be employed by ship- sides to Washington in a new atping companies here. tempt to settle the strike. The R. E. Ferguson, manager of the union has agreed to accept the employers' group, said the union 1912 cent fact finding proposal contract gave shippers the decision but GM's highest offer has been

Germans as they were unloaded, direct cargo handling for the Ha- In New York, Bernard Brophy



NEW YORK, Feb. 25. (AP)-Nine German naval officers and 267 crew members who the Philadelphia Record said took part in a situation stands, Britain cannot "gala farewell party" aboard the German heavy craiser Prinz Eugen yesterday, sailed today for Europe on the naval transport Gen. A. E. Anderson under ma-

by guards.

rine guard. **China Rejects** The Germans arrived today by train, while the Philadelphia naval yard investigated what the Record said was "as fitting a farewell party as any prewar bon voyage party in the United States.

A crowd of 500 persons were at A crowd of 500 persons were at Pennsylvania station to see the be hired. The union refused to N. Y. AFL Not in Strike

India and The Netherlands East PHILADELPHIA, Feb. 25 .- German crew members of the former German cruiser Prinz Eugen disembark from the vessel at the Portland waterfront employers' as- eral Motors strike) was carried navy yard here yesterday with their gear to stand muster prepara- sociation late today they were will-out " tory to leaving the ship permanently. The men will return to ing to arbitrate their grievances The GM fact finding panel pre-Germany. The ship will be used in atom bomb tests. (AP Wire- and return to work.



College in St. Paul, Minn., returning to Portland in 1913.

work in the county assessor's of- were already in Columbia or on fice and as deputy county clerk. the way. He was graduated from Willam-

the bar in 1923.

Bean in St. Paul, Minn. She died away, and a detachment of militia 16 years ago. His second wife, was sent out by Brig. Gen. J. N. Many Damage Claims

Wilna Gisler, survives him, He was a member of the First troops, to meet them. 'lethodist church and of the Oreon Bar association.

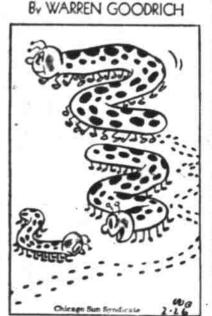
Surviving in addition to the ters hospital, as police chief J. W. H. Klaus, Farmington, Minn., and shot, Sheriff Underwood said, as such trials illegal. two grandchildren, William and they sought to keep order early in Jean Croker, Bremerton, Wash. the night.

Services will be held Wednesday at 1:30 in the W. T. Rigdon 3 Salem Men flowers. Dr. Joseph M. Adams will will be at City View cemetery. In Fraud Trial will be at City View cemetery.

### Lumber Firm Changes Hands "oyster farm" enterprises today in federal court here.

SWEET HOME, Feb. 25-(Special)-Herbert Templeton Lumber company of Portland has bought the Lucas Lumber company and has taken possession. Oliver Ra- more than \$300,000 from northmalia, formerly of Eugene, is general superintendent of the new company.

Paul Lucas, who established the mill here several years ago, retired because of health. His son, main on the job for the time be- as the trial got under way. ing.



"You'll never go wrong if you follow in your father's footsteps!"

adjutant general Hilton Butler said in Nashville that between He moved to Salem in 1916 to f ur and five hundred state troops charged with embezzling stock.

At that time a report spread in ette Law school and admitted to Columbia that a group of negroes shipfitter charged with assaultand Lloyd C. Duncan, Honolulu were marching on Columbia from ing two marine sentries. Kloepping married Laura Mae Mount Pleasant, twelve miles

Dickinson, commander of the state Expected After Order

HONOLULU, Feb. 25 -(AP)- At-The sheriff listed the injured officers, who are in King's Daugh- torneys predicted today that claims for damage may be filed widow are a daughter, Mrs. Mor- Griffin and patrolman Sam Rich- in many of the 37,500 civilian ris C. Croker, Bremerton, Wash.; ardson, Vernon Stofel and Will cases tried by military courts in a brother, F. W. Kloepping, Fair- Wilsford. The latter was believed the islands as a result of the U.S. lax, S. D.; a sister, Mrs. George injured critically. The men were supreme court decision declaring Oahu prison records show that

fines.

PORTLAND, Ore., Feb. 25-(AP)-The trial on mail fraud charges of three Salem men and a Portlander accused of misrepresenting "oyster farm" enterprises began In a 42-page indictment the

Errion, John R. Barton and Glenn R. Munkers, Salem, and P. E. was given 15 years on a man-Blackman, Portland, of obtaining slaughter conviction, west investors.

The government has subpoenaed Highway Commission Oders Suit for New Willamette valley farmers and

Willamette valley farmers and Oregon and Washington coast res-State Park, Accepts 5 Road Work Bids idents who are listed as investors. Richard Lucas, who, has been as- The four defendants pleaded insociated in the enterprise, will re- nocent before Judge James A. Fee A condemnation suit to gain pos- of State Robert S. Farrell, jr., in



of which Lee U. Eyerly, Salem Williamson resulted from refusal move the building to state propflyer and industrialist, is chairman, Monday opened offices on \$10,000 which commission apprais- grounds that it would obstruct an the third floor of the state capitol building here with W. C. Hill, chief engineer for the board, in charge. Leo Davaney, Portland, is director of the board. Entire headquarters of the board will be moved to Salem from Portland on April 1. Hill,

formerly of St. Paul, Minn., said Ban Highway Parking The commission ruled that mot. ed that several curves on the his duties would comprise largely the location of airfields under the orists can no longer park on the Necanicum highway be widened shoulders of state highways except to accommodate 58-foot log loads, federal airport plan. for emergencies. Such parking providing truck operators do not

SOVIET FORCES MERGE MOSCOW, Feb. 25-(AP)-The three armed services of the Sov- mart" north of Eugene. iet Union-the army, navy and

single commissariat of the armed signs at railroad crossings are on a Sherman county project, for rental for the privilege of operatand have become traffic hazards jected as too high. sar and supreme commander.

ment expert, and Benno Smith, China restated her sovereignty lacked authority to try civilians legal counsel for McCabe, said over Manchuria and in effect recharged with violating civil laws. there is no question that this It ordered release of Harry E. country can impose any restric- tonight. Generalissimo Chiang give packages of food to the Ger-White, Honolulu stock broker tions it elects on use of the goods Kai-shek declared that he hoped

in question.

**Clothing Drive In Salem Nets** 

70,000 Pounds Nearly 70,000 pounds of cloth-

ing were collected in Salem alone Clothing drive, a summary disclosed Monday.

The totals showed: 182,000 garments; 6000 pairs of shoes; 300 about 400 civilians sentenced by pieces of bedding; 2889 cartons and packages; 68,930 pounds. military authorities were im-Fred Starrett was general chairprisoned and that fines and revenues of the provost court and liquor control office totaled sponsors including the junior chamber of commerce and the Ki-\$1,500,000, including \$1,072,000 in wanis, Lions and Rotary clubs.

Collection depots included C. T. Stevenson, warden of Oahu prison, said four civilian churches, many stores, fire stamen convicted by military tri- tions and the PGE.

bunals under martial law still Those in charge paid special difficulties. were in his custody. One of them tribute to Clarence Shrock for aid is serving 30 years on conviction in transportation, E. H. Craven of a murder charge, another is for work with Boy Scouts in colserving seven years for robbery, a lections, and Floyd Seamster for government accuses Edgar Robert third is serving 15 years on a leading the sorting and packing murder conviction and the fourth work.

PORTLAND, Ore., Feb. 25.-(A)-| rather than safeguards. Secretary |

The commission reported the mission decided. A request from

The commission said the owners A survey was ordered on a

asked \$25,000 and said that Mrs. \$150,000 improvement project for

Irene Wiggins, owner of another the Wasco-Heppner highway west

51 acre tract to be used in the from Condon. Resurfacing of 15.7

ocean view.

Accepts 5 Low Bids

The commission accepted low

ordered today by the Oregon high-

highway across from the "public tain road.

Engineer R. H. Baldock was

way commission.

sell for \$3000.

ers consider a fair price.

be left with the Salvation Army, mayor.

jected new concessions to Russia the Manchurian problem would be solved, because world peace

depended on Chinese-soviet cooperation. This first official Chinese state-

**Russian Bids** 

photo to the Statesman)

ment of Manchurian policy said simply that Chiang had instructed his headquarters in Manchuria to base negotiations with Russia on these three principles:

1. They must be in accord with Chinese law. 2. The Chinese-soin the recently-closed United viet treaty of last Aug. 14 must be respected. 3. There must be no conflict with international treaties to which China is a signatory.

Chiang chose the occupation, however, to commend the patriodemonstrating vociferously same time he warned against letsaying that hasty action might impair China's prestige and need-

**OSC EX-PREXY IS CANDIDATE** 

Successful bidders:

574

CORVALLIS, Feb. 25-(AP)-The republican ticket today boasted the candidacy of Dr. George W. Peavy, president emeritus of Ore- to the Curry county district at-Clothing for the drive may still gon State college, as Corvallis torney.

hopyard where Thrall has recently been employed, allegedly removed Mrs. Fitzhugh's four-year-old son grandparents, in whose custody

order. Clatsop county - Repairs of

session of 55 acres along Wallowa a letter, urged they be maintained. Vine Maple bridge over Nehalem lake for a proposed state park was The historic Knapp hotel at river on Fishhawk falls second Port Orford, boarded for years, ary highway. Philpott & Buckingwill be sold for junk, the com ham, Portland, \$16,680. Linn county - Resurfacing suit against T. H. and Helena an unnamed Salem architect to eight miles of Lebanon - Sweet

Home section of Santiam highway. of the owners to sell the tract for erty nearby was refused, on the Warren Northwest company, \$83,-

**Coast Highway Grading** Lincoln county - 3.10 miles of grading on Spencer creek-Agate Beach section of Oregon coast highway, Berke Brothers, Port-

land, 277,810. 106-acre park area has offered to miles of secondary highway be-Umatilla county - Eight miles tween Crow and Lorraine was apof improvement on Weston mounproved. The commission authoriztain-McDougall section of Weston-Elgin highway, to E. C. Hall and company, \$175,985. Washington county - 4.56 miles

of improvement on Campbell was prohibited on the Pacific operate on the Neahkanie mounbridge - Hazeldale section of Farmington highway, Porter W. Yett,

Portland, \$109,690. Lloyd F. Legarie, Salem, offerair force-were centralized in a instructed to study whether stop bids on five projects, but all bids ed 10 per cent of proceeds plus forces of the USSR tonight, with necessary, Baldock declared the surfacing of a Fulton Canyon- ing the lodge at Silver Creek falls Generalissimo Stalin as commis- signs are generally disregarded Wasco highway section, were re- state park. His bid was referred to the engineer with power to act. 54 degrees.

wajian-American line vessels since president of the AFL Transit sion of marines armed with riot last month because the company Workers union, which claims 6000 guns. Some spectators tried to assigned two checkers to each ship members among the city's 32,000 instead of the port custom of one transportation workers, said his mans, but were kept at a distance group would not support a strike man to each hold. threatened for after midnight to-

The Record said "despite navy Kick-off Lunch day (Tuesday) by the CIO Transregulations, liquor flowed on the nazi yessel. Flush-faced groups of Germans and Americans raised **Slated for Red** their voices in German beer hall songs. And in corners girls held hands with the German sailors and conversed in warm whispers. Cross Drive and conversed in warm whispers.

Capt. A. H. Graubart of Los Kick-off meeting for workers chanical and electrical aptitudes Angeles, commanding officer of the American crew aboard the who will conduct the annual for emergency use in operating Eugen, said the Record story was American Red Cross fund cam- the metropolis' transit system in "a perversion of truth" and de paign in Marion county will be the event of city-wide transf clared there was "absolutely no held Friday noon at the Marion strike. The fire and police dewhisky" on board.

man, H. L. Braden secretary, with against the continued Russian oc-sponsors including the junior cupation of Manchuria. At the With 'Kidnap' ting emotions supercede reason, Of Own Son

A 23-year-old mother, charged lessly increase the government's with kidnapping her own son, and dent of Willamette university, will her 30-year-old stepfather, ar-

rested on similar charges, were released by Joseph' Felton, justice of the peace, Monday night, on swer session. their own recognizance on condition that they take the child back campaign will meet at luncheon Wednesday to outline drive pro-

cedure. Nadine Fitzhugh and Curtis Thrall, arrested on a felony war-**Bus Service for** rant, Monday, at the Lakebrook **Keizer District** from the Gold Beach home of his To Start Friday he had been placed by court

The boy's father was committed to the state penitentiary last week. to Keizer school, effective Friday,

**Bishop Baxter on Church Committee** ATLANTIC CITY, N. J., Feb. 25.-(AP)-The council of Methodist bishops at the concluding session er than week days.

of its annual meeting today named a committee to study "the question of protestantism as it relates to the Roman Catholic fied after a "fair trial." church in matters that concern

Methodism." Sweet Home Teacher Bishops Lewis O. Hartman of Boston; Bruce R. Baxter of Port-Subject of Hearing land, Ore., and Paul E. Martin of Hearing was held before Rex Little Rock, Ark., were appointed Putnam, state superintendent of a committee to assist in a propublic instruction here Monday, posed expansion of the Metho-

dist's public relations department Weather

Max. Min. Rain 55 37 .01 56 36 62 53 -40 trace 54 42 trace 56 46 .00 Salem \_\_\_\_\_ Eugene \_\_\_\_\_ Portland Seattle

Seattle \_\_\_\_\_\_\_ 56 46 .00 school board whereupon the Willamette river 32 ft. FORECAST (from U.S. weather bu-reau, McNary field, Salem): Partly cloudy today. Highest temperature McNary field. Salem is a school board whereupon the teacher appealed to the state edu-cational department for final de-cision.

.01

hotel. Friday is the opening date partments were alerted for posfor the drive in which about 1000 sible duty. persons in the county will take Mayor William O'Dwyer said a tism of students, who have been Charge Mother active part in the campaign for state law forbade the city's ac-s66,000. ceptance of the union's principal A general discussion and ques- demand, that of recognition as tion and answer period will fea- exclusive bargaining agent for all ture the Friday luncheon meeting, civil service employes. He added with Dr. E. E. Boring, general he considered a wage increase

day (Tuesday) by the CIO Trans-

for a \$2 a day wage increase and

sole collective bargaining rights

New York City municipal offi-

cials today interviewed 1000 city

employes with engineering, me-

for all transportation workers on

the city-owned system.

fund campaign chairman, presid- sought by the TWU a "just cause. Labor troubles also harrassed ing. Dr. G. Herbert Smith, presiother localities, with the followgive a short talk. Justice George ing situation by cities: Detroit Faces Milk Shortage Rossman, chairman of the Mar-

Detroit - Already faced with ion county chapter of Red Cross, a milk shortage as the result of will assist in the question and anfive-day strike of CIO employes

Heads of all divisions in the at 16 dairies, Detroiters were confronted today with a bread shortage as 13 of the city's largest bakeries shut down following a strike at one plant. About 50 per cent of the eity's bread supply is involved. Supply of milk is 40

per cent of normal. Houston - AFL officials called on 65 Houston, Tex., affiliated unions, with claimed membership of 40,000, to stage a one-day holi-

Oregon Motor Stages will in- day today (Tuesday) and join in augurate bus service from State a mass march on the city hall in and Commercial streets in Salem protest against City Manager J. M. Nagle's order that 700 striking March 1, it was announced this AFL city employes be paid off. week by A. L. Schneider, general Nagle asserted the 700 ignored manager. The initial schedule the city council's back-to-work ultimatum and said "they weren't calls for 10 round trips daily, fired, they quit." starting at 6:45 a.m. from Salem

Philadelphia - Acting Sheriif and 7:15 a.m. from Keizer. Sun-William J. Morrow said no atday's schedule starts an hour lattempt would be made by police to interfere today (Tuesday) in Schneider said the new plan event of continued mass picketing was experimental but would be of the strikebound General Elecmade permanent if found justitric Co. plant, where 1400 pickets yesterday set up a solid twoblock line in defiance of a court

#### injunction limiting picketing to 10 men 10 feet apart.

#### Salem AFL Petition in connection with a proceeding Turned Down by NLRB

involving the release of a teacher WASHINGTON, Feb. 25.-(P)in the Sweet Home, Linn county, school district, for conduct unbe-An AFL local union's petition for coming a school employe. collective bargaining agent at United Growers, Inc., Salem, Ore., The Linn county school superintendent upheld the district was turned down today by the naschool board whereupon the tional labor relations board. The board said \$6 votes in an election opposed the AFL union,

while 50 favored it.