

THE BEND BULLETIN

CENTRAL OREGON'S DAILY NEWSPAPER

Oregon—Cloudy with intermittent snow today, tonight and Saturday. Continued cold. Low tonight zero to 10 above.

Chiang Quits As President; Flies to Exile

Reins in China Turned to Li Tsung-Jen, Advocate Of Communistic Peace

Nanking, Jan. 21 (AP)—Generalissimo Chiang Kai-shek retired as president of China today and turned the reins of government over to Vice President Li Tsung-jen, an ardent advocate of peace with the communists.

In retiring, Chiang left open a way to return to his leadership of nationalist China if peace talks failed. He used a word meaning "temporary leave of absence" rather than announcing his outright resignation.

Boards Plane

Chiang then boarded his private plane and left Nanking in a dramatic flight into exile. He stopped first at Hangchow, 150 miles south of Nanking, to make a motor trip to his home town of Geng-hua, in Chekiang province.

Two hours after Chiang's departure the communist radio rejected the nationalist government's appeal for a cease-fire and said that any peace conference must be held before the end of hostilities.

The communist broadcast, although made after Chiang left Nanking, obviously had been prepared before it was known that Chiang was relinquishing his 21-year rule of nationalist China.

Decision Announced

Chiang said in a 300-word statement announcing his decision to step down that he was leaving Nanking in an effort to help speed the nationalist government's peace talks with the communists. It was considered almost certain that the communists would refuse to discuss peace so long as Chiang headed the government.

Chiang indicated his retirement at the moment was temporary and was not an outright resignation. He used a Chinese word meaning "temporary leave of absence," leaving the way clear for him to return to his post and resume command of the nationalist armies should peace talks fail.

Vice President

It was not known whether Vice President Li would be formally inducted into office as president. In a brief statement Li said he was "obliged" to take over the presidential duties under article 49 of the Chinese constitution.

This article provides that the vice president shall assume the duties of president in case the president resigns or is unable to carry out his duties for other reasons.

An official source said that Madame Chiang, now in New York on a visit, and the United States, would return to China soon to join her husband in exile.

6 Dead in Crash Of Alaskan Plane

Anchorage, Alaska, Jan. 21 (AP)—The bodies of six persons were found by a ground party in the wreckage of an Alaska Airlines DC-3 which crashed on the slope of a mountain near Homer, Alaska, 150 miles southwest of here.

A radioed report to the civil aeronautics administration here said the six victims apparently had perished instantly when the plane crashed.

A spokesman for Alaska Airlines said five persons originally were listed as aboard the plane. He said a sixth passenger apparently boarded the aircraft "somewhere along the route."

CAA officials and company officials who were in the ground party finding the wreckage said they would conduct an on-the-spot investigation to determine the cause of the crash.

Umatilla Fire Hits City Hall, Stores

Umatilla, Ore., Jan. 21 (AP)—Official estimates today placed damage at \$50,000 from a fire that swept the Umatilla city hall and adjoining stores yesterday.

The blaze leveled a large one-story building housing the state liquor store, a barber shop, a branch of the Umatilla county library and the city hall.

All of the books were saved, although some were damaged. Most liquor stocks also were salvaged.

Umatilla city headquarters will be moved temporarily to the old city hall building.

OREGON'S HEAVY SNOW

Portland, Jan. 21 (AP)—The weather bureau said today that western Oregon's snow storm was the heaviest in six years.

Two Labor Parties Fighting To Gain Upperhand in Israel

Extremist Groups Seeking Political Control In Jewish State's First General Election

Tel Aviv, Jan. 21 (AP)—Two labor parties and the political successor to the Irgun Zvai Leumi extremist group will fight it out for political control of Israel in the new Jewish state's first general election next Tuesday.

Other political parties, including the outlawed Stern gang in its new guise of the fighters, also will put up candidates for the 120 seats in the new constituent assembly. But the labor party, the united workers' party and the Irgunists' freedom party are the only major contenders.

Expected Winner

Political quarters expect the labor party, known as Mapai, to win a plurality if not a clear-cut majority. It holds four of the 13 cabinet seats in the present provisional government and its leaders include Prime Minister David Ben-Gurion and Foreign Minister Moshe Shertok.

Mapai stands on the record of its leaders in establishing the new Jewish state. It calls for a foreign policy based on the United Nations and friendship with both the east and the west. Its opponents say Mapai is too subservient to the west, however.

Claims Credit

The united workers' party, or Mapam, disputes Mapai's claim for chief credit for the establishment of Israel. It is particularly bitter over the government's dissolution of Palmach, striking force of the Jewish defense army during the years of British mandate, and its incorporation in the regular army. The Palmach staff comprised almost entirely Mapam officers.

Mapam demands a more vigorous class struggle at home and stronger ties in the foreign field with the Soviet Union and other "progressive forces of the world." Nevertheless, the party has refused to ally itself with the Israeli communist party, which comprises about three per cent of the electorate.

Metolius Included

A major part of the fish-hatchery program was reported expansion on the Metolius river, a tributary of the Deschutes.

It was also indicated that the Central Oregon public utilities district, headed by J. D. Donovan, Bend, as chairman, would oppose the move. "Our project is still very much alive," Donovan declared today. He said the Central Oregon PUD has several sites tentatively surveyed on the Deschutes just above the Pelton site, and declared that a dam at the Pelton site would flood the up-river sites. A 200-foot high dam is proposed at the Pelton site, but water depth immediately behind the dam would be only 150 feet deep.

Donovan said that the PUD application had been on file since August, 1941, and that only recently the firm of R. W. Beck and associates, Seattle, had been asked to make a new study of the plans, to bring them up to date. It was originally planned to start PUD construction on January 1, 1943, but the war made a delay necessary, PUD officials said.

Cost Estimate Made

The estimated cost of an 84-foot high PUD dam proposed in 1941 was \$950,000, based on construction costs for that year, project officials said.

Officers of the Elks who will attend from Bend include William Stollmack, district deputy grand exalted ruler, Oregon south; N. D. Goodrich, exalted ruler of the Bend lodge; A. E. Ledbetter, leading knight; Charles Marsch, esquire; William Reid, lecturing knight, and Ralph Ferguson, secretary.

House Kills Bill

The house yesterday killed its first bill—a measure introduced by Rep. Joe Harvey, R., Portland, that would have prevented minors by state law from entering places that sell alcoholic beverages, including such places as hotels, restaurants and grocery stores as well as taverns and night clubs.

The house alcoholic control committee's majority report recommended the measure be tabled indefinitely.

Two-Year-Old Aids in Polio Campaign



When Mrs. Jess Perrine, left, volunteered to help with the local fund-raising effort for the March of Dimes, her two-year-old son, Pete, joined the corps of solicitors automatically. At right, Mrs. Marion Poor, who was stricken with polio several years ago, is making a contribution to the fund. When Mrs. Perrine was without a "nanny sitter," she took Pete with her on her downtown calls, and let him hold the contribution container while she spoke to business people on behalf of the polio campaign. Shoppers responded so generously to Pete's plea to "Put money in here, please," that he was made official mascot for the collecting crew. The downtown canvas has been going on this week under direction of Mrs. K. H. Edmondson, chairman of a committee of Junior Clive league members. Mrs. Perrine is president of the club.

Plans for Dam On Deschutes Interest Area

Opposition and Support Develop as News Breaks; PUD May Prove Factor

Plans of the Northwest Power Supply company to construct a \$12,000,000 hydroelectric plant at the Pelton site in the mid-Deschutes gorge received backing in some quarters and developed opposition in others today, as the proposal aroused wide interest in Central Oregon.

A preliminary permit for the dam was filed with the state hydroelectric commission in Salem yesterday, and within a few hours opponents and proponents of the plant, proposed to relieve the serious power shortage in the Pacific northwest, were taking sides. The plant would produce 75,000 kilowatts of power. Sponsoring the project is the Northwest Power Supply Co., representing three private power firms, including the Pacific Power & Light Co. The application had hardly "cooled" in Salem before it was announced that fishing interests were set to fight the plan, with Arnie Sumela, Oregon state master fish warden, Astoria, declaring: "We are absolutely opposed to this power project. It would ruin the river." Also, a fishing industry spokesman said the federal government proposed to spend millions of dollars over a six-year period to develop fish propagation on the Columbia river tributaries below McNary dam.

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Annual Meeting Of Chamber Set

The annual meeting of Bend chamber of commerce members will be held on January 28, at a luncheon at the Pilot Butte inn, with Tom Humphreys, associate editor of the Oregon Journal as speaker. It was decided at today's meeting of chamber directors, at the Pine Tavern.

It was also announced that there will be a meeting of the Deschutes county advertising committee, Tuesday, Jan. 25, at 7 p.m. The meeting will be held at the chamber office and will precede the January dinner meeting of the Central Oregon chamber of commerce, to be held at the tavern that same evening.

At today's meeting, the board endorsed the program of the Deschutes county community chest, and authorized the appointment of a special committee to review all proposed solicitations in the community and requests for donations. Members will be asked to refer all requests not coming under the authority of the community chest to the chamber committee.

Guy E. Leonard, assistant manager of the western division, chamber of commerce of the United States, visited the directors at their meeting today and spoke to the group.

MEETING POSTPONED

Sons of Norway will not have their regular meeting Saturday night, officers have announced. The meeting has been postponed until Jan. 29, when the lodge will sponsor a showing of movies on Sweden and Norway. Members of the lodge and their friends were invited to attend.

TRUMAN'S LUCK GOOD

Washington, Jan. 21 (AP)—President Truman's luck became near legend today.

Yesterday the weather was perfect for the inauguration, sunny but crisp with cold.

Today Washington had overcast skies and sleet turning to rain.

Big Hydroelectric Project Planned for Deschutes



Arrow indicates site of proposed Pelton hydroelectric project which will produce 75,000 kilowatts of power from waters of Deschutes river northwest of Madras to help relieve serious power shortage in Pacific Northwest. Ultimate capacity of the plant, located at the bottom of a rugged 800-foot-deep canyon, will be 112,500 kilowatts. Plant will be operated by Northwest Power Supply company, with entire output contracted to Pacific and two other large power companies.

Acheson Sworn In as Secretary

Washington, Jan. 21 (AP)—Dean Acheson took the oath today as secretary of state, a role in which he will be charged with pushing President Truman's "bold new program" for fighting communism and human misery.

He was sworn at 11:13 a.m. EST in President Truman's office in the White House. The oath was administered by Chief Justice Fred M. Vinson while Mr. Truman looked on.

Acheson succeeds Gen. George C. Marshall under whom he helped to map the anti-communist Greek-Turkish aid and European recovery plans. The 68-year-old Marshall resigned, effective yesterday, for health reasons.

Members of Acheson's family, cabinet members, other government officials and congressional leaders of both parties also watched the ceremony.

Acheson stood in front of Mr. Truman's desk as he took the oath. Immediately afterward Mr. Truman stepped around the desk and shook hands with the new secretary.

Oregon Coast Hit by Heavy Snow Storms

Portland, Ore., Jan. 21 (AP)—Snowfall was general over western Oregon today with depths piling up eight to 10 inches east of Portland and giving the metropolitan area its worst traffic snarl of the winter.

Three to five inches of snow fell in downtown Portland by mid-morning and the weather bureau forecast more flurries tonight.

An 18-mile an hour wind was building up deeper drifts east of the city.

State, county, city and Portland Traction company sanding crews worked through the night and morning, but were unable to cope with steadily falling snow which packed into an icy glaze on all main thoroughfares.

The state police said motorists without chains were courting trouble anywhere in the city and travel in any direction from Portland was described as dangerous or impossible without chains.

Snow on the runway and varying visibility disrupted some airline schedules at Portland airport, but air lines generally were at attempting to keep operations normal.

Many schools were closed through Multnomah county, including Corbett grade and high, Gresham grade and high, Parkrose grade and high, Troutdale grade, Pleasant Valley grade and schools at Gonzaville, Bridal Veil, Fairview, Columbia, Orient, Sylvan, Skyline, Holbrook, Riverdale, Springdale, Wilkes, Cedar Mills, Russellville and Savies is land.

THIN ICE CAUSES DEATHS OF 2 BOYS

Tacoma, Wash., Jan. 21 (AP)—Two small brothers drowned in Spanaway lake south of here late yesterday when ice on which they were walking gave way.

Sheriff's deputies said the boys were walking about 30 yards offshore when they suddenly fell through the ice.

Columbia Project Manager Views Northwest Resources

Says Progress a Matter of Water Power Development; Must Have More Crop Land

Spokane, Wash., Jan. 21 (AP)—Progress in the Pacific northwest is largely a matter of water-resource development, Frank A. Banks, district manager of the Columbia basin project, said here last night.

In a speech before the Spokane Junior chamber of commerce, the bureau of reclamation engineer said: "For a growing population, we must have more crop land and more power. Despite the power capacity of the Pacific northwest by the building of the Bonneville and Grand Coulee power plants and by the inter-connecting of the power plants of five states in the northwest power pool, the generating capacity does not meet the power demand."

"We need more generating capacity right now. And we need more water in the Columbia during cold winter weather so that we can make full use of the generators we are now putting in at Grand Coulee dam. Upstream water storage of the Columbia is a critical need."

"Just now, we have two power problems to worry about—a demand in excess of generating capacity which, without a doubt, will continue for some years, and an unusually cold winter which has cut down stream flows drastically and threatens to continue for several weeks, and perhaps months."

Referring to future development of the Columbia basin area, Banks said some help would come from the building of the Hungry Horse dam in Montana and proposed developments at Albeni falls and on the Kootenai river in Idaho. He also pointed out possible help from Canada where 60 per cent of the runoff above Coulee dam originates.

VENEZUELA GETS US RECOGNITION

Washington, Jan. 21 (AP)—The United States today granted full diplomatic recognition to the new revolutionary military government of Venezuela.

The action was announced by the state department which made public an exchange of notes with Venezuela.

Diplomatic quarters speculated that the United States also would recognize a similar new military regime in El Salvador.

American recognition of the new state of Israel and of Trans Jordan also was reported under study.

The state department said Walter J. Donnelly, U. S. ambassador to Venezuela, delivered a note of recognition to the Caracas government today.

The document said the United States had noted statements by the new regime that it would "strictly fulfill its international obligations," and would prepare elections.

Venezuela in a note dated Nov. 25 notified this government that the new military junta had taken over in Venezuela because of the "grave circumstances threatening the social peace and economic life of the republic."

Senate Group Still Ponders Investigation of Housing

Salem, Ore., Jan. 21 (AP)—The senate today sent back to its resolutions committee a measure calling for a legislative investigation down an attempt to give the proposed investigating group specific instructions.

The vote was 21 to 9 to re-refer the attempt to give the committee definite instructions was made by Sen. Richard L. Neuberger, D., Portland, who wants an investigation of Herbert Dahlke, head of the Portland housing authority, and the "failure" of the Portland housing group.

Dahlke was reappointed chairman of the Portland authority by ex-mayor Earl Riley shortly before he went out of office. The appointment brought bitter criticism from Dorothy McCullough Lee, the new mayor.

"Let's investigate something specific," Neuberger pleaded. "Investigate the root of this desperate housing crisis."

Truman Faces New Problems On First Day

Congress Leaders in Fog Over Standards of Living Issue for People Abroad

Washington, Jan. 21 (AP)—President Truman today began the first full day of his new administration with some of his own congressional leaders in a bewildering fog about his plan to raise living standards of backward peoples abroad.

Major party figures were questioning the program on and off the record. There were signs of a republican attack in force.

Soviet Challenge

In contrast, there was general acclaim for Truman's challenge to Soviet Russia. Men known for their liking for the communist party line were critical, but not many others were.

As congress pondered the president's outline of foreign policy, Dean Acheson began his chores as secretary of state.

It was obvious from President Truman's forceful inaugural statement that Acheson would have less to do with making policy than in carrying it out in his new position. Truman already has said what the broad outlines of foreign policy shall be.

Capital Scrambles

While the capital scrambled for more information on the controversial "living standard" portions of Truman's address, world bank President John J. McCloy returned to Washington and said maybe it originated with him. The plan might have come, McCloy said, from some papers he sent to the White House recently.

He said a program for aid to backward peoples might be worked out through the world bank or the export-import bank. Any loans would be for a long term. Whether they would be tied to the Marshall plan program, McCloy did not know.

Congress will insist, however, on getting from Truman or Acheson considerably more detailed information.

Doubts, Questions

As Acheson picked up the direction of foreign affairs, there was a barrage of questions, doubts, and dissents from congress on that part of the foreign policy stated yesterday by Truman.

It would divert American and other private capital into the development of backward countries. The president did not go into detail. But he did say that such developments would be controlled, presumably by the United Nations or some governmental agency, and that returns on investments would be both limited and guaranteed.

Some top members of both parties begged off when asked to comment on that program. They said they did not know what the president meant and hoped he would illuminate the matter for them.

Others warily advised a go-slow approach to anything aimed at helping the miserable millions whom the president estimated to be about half all the world's population.

CIO Workers Quit Studebaker Plant

South Bend, Ind., Jan. 21 (AP)—CIO United Auto Workers left their jobs at the Studebaker corporation plant here today over a wage dispute, and the company said virtually all production was at a standstill.

A company spokesman said nearly all of the 16,000 workers in the passenger car and truck divisions were idled by a wage dispute involving workers in the seat manufacturing department.

P. O. Peterson, vice president in charge of manufacturing, said the dispute was "over piece work rates."

Officials of Studebaker local No. 5, UAW-CIO, had no comment. They said they might issue a statement later.

Democrats Hold Jackson Dinner

Salem, Jan. 21 (AP)—More than 100 democrats last night attended their traditional Jackson day dinner here and heard State Sen. Richard L. Neuberger declare he loses "net intend to become a candidate for governor."

"My desire," he said, "is to remain at my present occupation of writer."

He said some persons have confused his legislative work with personal ambition and he wanted to set the record straight.

Neuberger cautioned the democrats they could succeed in Oregon "only as a party of ideas and not as a party of intrigue."

Three bills were introduced to accomplish the aim. One would appropriate \$875,000.

The bills were introduced by Sen. William McAllister, R., Medford, Sen. Ben Musa, D., The Dalles, Rep. Dave Baum, R., La Grande, and Rep. John I. Sell, R., The Dalles.

Legislation to increase state aid for children and wayward girls was introduced in the senate today.