

Ceiling Prices  
Of June 30  
Back on Meat

# Capital Journal

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## Dairy Products Freed Of OPA Control Unless Prices Soar

Washington, Aug. 21 (AP)—Price ceilings on meat, ordered re-established by the decontrol board, probably will go into effect at retail stores about Sept. 3, an OPA official said today.

This tentative arrangement, subject to approval by the agriculture department, will put back retail ceilings on meats 12 days later than OPA previously had planned.

While directing restoration of ceilings on meat, the price decontrol board decreed that milk, butter, cheese, and all other dairy products should remain free of controls.

**Preparing Schedule**

OPA and agriculture department officials expect to set up by nightfall a definite time schedule for re-imposing the meat ceilings. Previously, OPA had announced controls would be re-invoked at 12:01 a.m. Friday.

Revised plans call for re-establishment of controls Friday on live animals only, with packing and wholesale ceilings following a few days later.

An OPA official said this procedure would "give the industry a chance to clean out meat supplies acquired at higher prices during the period of no control."

The decontrol board's restoration of meat price ceilings brought varying reaction.

And the CIO cost of living committee said the decision to keep dairy products free of controls "will bring greater inflation to the American people."

**Decontrol Board Rules**

On other points in its first decision, the congressionally created decontrol board:

1. Ruled against restoring ceilings on nearly all grains.
2. Authorized livestock and meat subsidies to be paid again, at June 29 rates.
3. Ordered price controls re-established on soy beans and cotton seed products, including salad and cooking oils.

Shortly after the three-man panel announced its unanimous rulings last night, OPA Chief Paul Porter told a reporter:

"Restoration of subsidies on meats means we can re-establish ceilings at or close to June 30 levels."

"This is the case on beef, pork and veal. We have not decided yet on lamb."

**Effective Friday**

OPA had announced earlier that ceilings would become effective Friday on any commodities recontrolled by the board.

Officials said today, however, that a plan under consideration calls for cutting ceilings on live animals Friday, with a time lag in each case before they apply at the packer, wholesale and retail outlets.

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## Meat Supplies In Oregon Low

Portland, Aug. 21 (AP)—Low meat supplies in retailers' and slaughterers' coolers caused by uncertainties over price decontrol board action were reported today.

H. E. Carlson, secretary of the Portland Independent Retail Meat Dealers' association, said stocks may be short until packers are assured of profitable operations.

Retailers generally expect their business will be more pleasant with fewer customer complaints with restoration of price ceilings, Carlson asserted.

Prices in the Portland area were generally 25 percent above June 30 level when OPA ceilings lapsed.

Meanwhile another meat industry spokesman warned that black marketing of meat will get a new lease on life.

R. K. Clark, president of the livestock brokerage firm of Bodine and Clark and former secretary of the Portland livestock exchange, criticized a free market on grain and ceilings on meat.

"This order makes impossible the feeding of grain to livestock," Clark declared in predicting higher prices on the black market.

## Soap to Remain Hard to Secure

New York, Aug. 21 (AP)—Soap will stay on the hard to get list for months to come, industry sources predicted today.

Soap supplies are said to be lower than at any time during the war, and producers do not expect much improvement at least until the first of the year.

"Never before has the modern soap industry faced the scarcity of fats it does today," said a spokesman who asked that his name be withheld.

## Reds Establish Own Regime In Manchuria

Nanking, Aug. 21 (AP)—China's communists announced today establishment of their own government of Manchuria, and said they would not discuss participating in any coalition government of China until all of the current fighting is stopped.

Some informed quarters here said that establishment of such a coalition had become "the last hope" of mediators seeking a permanent peace.

**Deny Mobilization**

Communist spokesmen denied that their party was calling for all-out mobilization against Chiang Kai-Shek's forces, and said they "have no desire" to overthrow his national government—which is strictly a one-party regime now. But they added:

"The first thing is to stop fighting. Then we can talk about reorganizing the government."

Some observers here said that General Marshall and Ambassador John Leighton Stuart, having failed to stop the shooting first and talk politics later, now were trying to reach a political accord first.

**Political Accord**

Chiang, these sources said, had asked Marshall to request a list of ministries which communists would demand in any coalition government.

Manchuria's new red administration, the communists' official radio at Yenan announced, is "the provisional supreme administration for democratic Manchuria," composed of 86 elected delegates from all sections, and aspiring to "a peaceful, prosperous Manchuria by uniting all..."

There was no report that it was operating directly under Yenan, the communist capital, but its avowed goals were similar to those of the Yenan government.

## Poland Faces British Sanctions

London, Aug. 21 (AP)—The foreign office said today that the British government was prepared to apply economic sanctions to Poland if the Warsaw regime failed to carry out the Potsdam agreement for free and unfettered elections in that country this fall.

A foreign office spokesman said Britain would refuse to return Poland's gold reserves, brought here by the wartime exiled government, if election provisions sketched in Anglo-American notes to Warsaw yesterday were not observed.

"The first and most obvious sanction in the event the grave irregularities of the recent referendum also take place during the promised election would be for us to refuse to ratify the recent economic agreement providing for the return of the Polish gold reserve after deduction of the expenses of the exile government while in London," the spokesman said.

The joint notes from the United States and Great Britain accused the Polish government of ignoring the agreement for free elections in Poland, and charged that grave irregularities occurred in the Polish referendum last month.

**15 Men Rescue Priest**

Portland, Aug. 21 (AP)—Fifteen men were needed to lift a car from the Rev. Leo Linahan, Oswego priest, when it overturned on him last night. His injuries were reported not serious.

## Russians Refuse to Enlarge Allied Council in Japan

Tokyo, Aug. 21 (AP)—Gen. Douglas MacArthur's plan for the allied control council to admit representatives of the 11 powers which waged the Pacific war met with a flat refusal today from the Russians.

Lt. Gen. Kuzma Derevyanko, the Russian member of the control council, apparently considered the plan a move to curb Soviet influence.

Derevyanko read a statement to the council saying the proposal was "not within the purview of the council and I cannot even discuss it."

MacArthur announced his plan August 13 to invite powers "not individually represented on the (four power) allied council for Japan informally and unofficially to join the council's discussions and contribute their views on matters which may be brought before the council."

China previously had accepted the proposal with reservations, and W. MacMahon Ball, representing the United Kingdom, had agreed to refer the

## Chief of Army Denies Charges Of La Guardia

Berlin, Aug. 21 (AP)—Gen. Joseph T. McNarney, American commander in Europe, today publicly rebuked UNRRA Director F. H. La Guardia and described as "baseless" La Guardia's charge that American occupation forces had deliberately opposed UNRRA's humanitarian and repatriation work in Germany.

McNarney pledged continued haven in the United States zone for Jewish and other persecuted displaced persons. He said there probably were 100,000 Jews still preparing to flee Poland.

Simultaneously, the American commander revealed at a news-filled press conference here, that a Russian woman spy "a secret agent of the NKVD" had been seized a month ago while in the employment of UNRRA. He said she was being turned over to Soviet authorities today.

McNarney said, however, that reports of UNRRA serving as an "umbrella" for Russian agents and criminal elements engaged in smuggling and dope peddling were "exaggerated."

"We know of very few cases of agents of any type who operated under the cloak of UNRRA," he said, "and only one has been positively identified as an NKVD agent." He said he was withholding details until the woman-spy was in Soviet hands.

**La Guardia's Charges**

McNarney said the UNRRA director had made the following charges against American occupation forces, and gave the following answers:

1. That the army in Germany opposes continuation of UNRRA in the field of care and repatriation of displaced persons.
2. That McNarney described as a "sneer" at the army's effort to provide 60 to 90 days rations for Polish refugees who would return to their homes.

"It had been necessary for occupation forces to delay carrying out this program as ordered by the secretary of war because of a shortage of food at that time."

That the army was "reluctant" to remove a handful of former London Polish liaison officers from the American zone who had been aiding in handling Polish displaced persons.

McNarney said that under an agreement with Warsaw liaison office he had been carefully removing the London Poles so as not to cause undue excitement in the displaced persons camps. He said the Polish officers had done "yeoman services" and were "literally lifesavers."

## Building Lumber Prices Raised

Washington, Aug. 21 (AP)—The OPA today hiked ceiling prices of four essential building materials from five to 10 percent under requirements of the new OPA law.

Boosted were ceilings on stock millwork (10 per cent), pine stock millwork and Douglas fir doors (nine per cent), and stock screen goods (five per cent).

OPA said the price increases, effective today, are mandatory under provisions of the new law requiring distributors' percentage margins to equal those of March 31, 1946.

## Jap Bandit Adopts Wild West Style

Sasebo, Japan, Aug. 21 (AP)—Striking in wild west style, Sasebo's bicycle bandit held up another branch bank Monday and escaped with 130,000 yen.

The bandit parked his bicycle in front of the bank, walked in brandishing a pistol, pumped one shot into the manager and another into the ceiling to frighten customers, and dipped into the till.

Then he ran from the bank, leaped onto his bicycle, and pumped briskly away.

## British Proposals Rejected by Egypt

Alexandria, Egypt, Aug. 21 (AP)—Premier Ismail Sidky Pasha presented to Lord Stansgate today the Egyptian delegation's decision to reject British proposals for revision of the 1936 Anglo-Egyptian treaty.

The premier and Lord Stansgate, acting head of the British delegation in the prolonged negotiations, met for two hours at Antoniadis palace. Later they were photographed together.



Deported Jews at Cyprus (AP)—Jewish immigrants make their way down the gangway of a British transport at Cyprus on their way to the internment camp set up for them after their departure from Haifa, Palestine. (AP wirephoto via radio from Cairo, Egypt.)

## Albanian Envoy Attacks Greece and Italy

Paris, Aug. 21 (AP)—The prime minister of Albania, Enver Hoxha, demanded today that the peace conference seat him as an equal and asserted that the Balkan state never would consent to any changes in its borders "for those frontiers are sacred." Many of his remarks were directed against Greece and its prime minister, Constantine Tsaldaris, also a target of Soviet Russia.

Referring to Tsaldaris' mention of the Albanian Quisling government during the Italian occupation, he asserted that all who remained had been killed and "those war criminals who fled are in the best hotels in Rome."

He demanded that the peace treaty "put an end to the aggressive, imperialistic policy of Italy."

Hoxha asserted that Italy caused 3,000,000,000 gold francs damage in Albania and demanded "an absolute right, to be allowed to determine the amount and payment of Italian reparations."

Hoxha received a long burst of applause and so did Alfonso R. W. Diaz, spokesman for Mexico, who spoke next.

The Mexican ambassador to Paris expressed his country's hope that "a just and equitable peace will be concluded" with Italy that "will permit her to join with dignity in the concert of nations."

Speaking of the defeated enemy nations, the Mexican spokesman said:

"Mexico simply hopes to prevent the damages caused by a war imposed on her, from falling on the Mexican people."

As the speeches droned on, an informant in the peace conference secretariat said 250 "fundamental" amendments to the draft treaties and an undetermined number of others had been presented by peace conference members. An American source said the United States had proposed none; that its position was already stated in the five treaty drafts. The deadline for filing amendments passed at midnight.

## Airway Liners to Pass-up Yugoslavia

Vienna, Aug. 21 (AP)—U. S. headquarters announced today that Pan American Airways had altered its flight route from Vienna to Istanbul to avoid flying over Yugoslavia, and will not make stops at Budapest and Belgrade because landing privileges for American commercial planes were refused.

Under the new plan, flights will be made from Vienna to Naples and thence to Istanbul, the announcement said.

Those stops are on the regular route from New York to New Delhi. So far, Pan American has not flown farther east than Vienna, but Belgrade and Budapest had been scheduled to become part of the route to the orient.

## Shot Out of Speed Plane by Ejection

Dayton, O., Aug. 21 (AP)—The air materiel command disclosed today that First Sgt. Lawrence Lambert, 29, of Berkeley, W. Va., was the first human in the United States to be shot out of a high speed aircraft with the aid of the newly developed pilot ejection seat.

Lambert was shot from a P-61 flying at more than 300 miles per hour at an altitude of 6,000 feet over Patterson field. He squeezed a handle setting in motion the automatic apparatus that catapulted him from the plane, separated him from his seat in the air, caused the parachute to open and landed him safely.

## Attacks By Yugoslavs

Premier Marshal Tito declared in a speech published today that Yugoslavia wanted peace, "but not at any price," and upheld Yugoslav action against American fliers as defense of her sovereignty.

He told iron workers of Jesenice that "even whole squadrons" of planes had violated Yugoslav territory; that "the question today is one of true democracy versus reaction."

The Yugoslav "strong man" acknowledged United States planes had been forced down and that he had witnessed one of the incidents, but denied the plane he saw had been lost in the clouds or had been fired upon after being downed.

To Visit Tito

U. S. Ambassador Richard C. Patterson arranged to take up the matter of the downing of two American C-47 transports by the Yugoslav air force personally with Tito tomorrow at the marshal's summer palace in Bled. Patterson and his party will fly to Bled in the embassy's C-47.

Gen. Joseph T. McNarney announced in Berlin that American air transport flights between Vienna and Udine, Italy, had been cancelled temporarily as a result of the downing of the two planes. McNarney said he planned to confer with Gen. W. D. Morgan, allied commander in the Mediterranean, on measures to protect the transports.

**Admits Attack**

The Yugoslav ministry of foreign affairs acknowledged today that Yugoslav fighters attacked the U. S. transport which crashed in flames near Bled Monday and implied some of the crewmen were killed, but referred to the incident as "a regrettable accident." Two of the five members of the crew parachuted out. Their fate has not been ascertained.

A U. S. state department note had demanded assurances that there will be no repetition of the incidents.

In Paris, where Secretary of State Byrnes is attending the peace conference, it was stated that the secretary had had a frank talk with the Yugoslav Vice Premier Edward Kardelj yesterday.

## Forest Fires Under Control

Fire crews and forest parachute jumpers working on scattered fires along the Cascade range from Roseburg, Ore., to the Canadian border today were reported having little trouble.

Most of the lightning fires started during yesterday morning's thunderstorms were snuffed out by prompt arrival of smoke jumpers in the isolated regions while others were being reached today.

Forest service headquarters at Portland reported blazes in Washington and Oregon were minor on federal lands and no important fires were reported on private or state timbered tracts.

Smoke jumpers reached many of the 37 fires on the Chelan national forest and 53 on the Mount Baker national forest area in Washington. Largest burnt over area in the two states was a 250 acre tract in the Fremont national forest where a fire was brought under control by 250 men.

## 3200 Casualties Calcutta Riots

Calcutta, Aug. 21 (AP)—An Indian government spokesman said today that three days of bloody Hindu-Muslim communal riots last week were responsible for 3,200 casualties, including 444 dead.

Those were casualties reported to hospitals, the spokesman said.

There was no way of indicating how many other casualties there were. Eyewitness accounts from Calcutta told of innumerable bodies being thrown into sewers and burned.

The spokesman said that between 20,000 and 30,000 persons had been rescued or evacuated from the time the riots started Friday night until late Tuesday.

The situation improved on Monday and Tuesday but sporadic incidents continue to be reported, the spokesman said.

Rescue trucks will not be needed after today, he said. Calcutta street cars appeared for the first time in days today. They carried armed British soldiers, however.

An increasing number of shops opened this morning and hotel and government office employees began to trickle back to work.

## All Clear Signal In Typhoon 'Lilly'

Tokyo, Aug. 21 (AP)—The allied Seventh army air forces weather station flashed the "all clear" signal today on the typhoon "Lilly" which is now over the mountains of Korea and steadily weakening.

The Japanese central meteorological observatory however, reported low atmospheric pressure in the Mariannas islands which was said likely to develop into another typhoon that might reach Japan about September 1.

## Sweden, Iceland, Afghanistan Win Admission to U.N.

Lake Success, N. Y., Aug. 21 (AP)—Sweden, Iceland and Afghanistan passed muster for membership in the United Nations in a screening report handed up today to the security council. The report carried the elements for further wrangles in the council over the disposal of six other would-be members:

Albania—supported by Russia, opposed by the United States and Britain.

Outer Mongolia—sponsored by Russia, opposed by China.

Siam—opposed by France and Russia.

Portugal, Ireland and Transjordan opposed by Russia.

In a strongly worded argument before the prolonged final session of the council's membership committee here last night, Chairman Jerzy Michajowski of Russia-backed Poland challenged Transjordan's membership bid as premature.

He touched upon the Pales-

## United States Formally Declares Outright Opposition to Russian Demands Dardanelles Control

### American Note to Moscow Along With Angry Protest to Yugoslavia Sends Relations With Soviet Lands to New Postwar Low

Washington, Aug. 21 (AP)—In an historic claim to direct interest in Black sea affairs, the United States today formally declared its outright opposition to Russian demands for a share in military control of the Dardanelles.

The American note to Moscow was one of two factors that sent relations between the United States and countries within the Soviet orbit plummeting to a new postwar low.

The other was this country's angry protest to Yugoslavia over the "outrageous performance" of Yugoslav fighter craft which attacked and forced an American transport plane to crash land. Premier Marshal Tito reported that his country wants peace "but not at any price."

Bearing the signature of Under Secretary of State Dean Acheson, the Dardanelles note expressed the "firm opinion of this government that Turkey should continue to be primarily responsible for the defense of the straits."

Pointedly, it noted that the Russian proposal contained no reference to the United Nations—a clearcut reminder that an international organization has been set up to handle all such security problems.

"Should the straits become the object of attack or threat of an attack by an aggressor," the note declared, "the resulting situation would constitute a threat to international security and would clearly be a matter for action on the part of the security council of the United Nations."

**Up to United Nations**

Asserting that this government holds that the "regime of the straits" should "function in a manner entirely consistent with the principles and aims of the United Nations," Acheson reaffirmed United States willingness to participate in any conference to revise the control policies.

But he made it abundantly clear—even within the confines of polite diplomatic phrasology—that the United States would not sit idly by in any soviet effort to establish herself in a favored, if not dominant position in the straits.

"It is the view of this government," Acheson said in his note, "that the regime of the straits is a matter of concern not only to the Black sea powers, but also to other powers, including the United States."

**3 Proposals Approved**

"This government cannot, therefore, agree with the soviet view that the establishment of the regime of the straits should come under the competence of the Black sea powers to the exclusion of other powers."

The American note, however, did set its seal of "general agreement" on three of the soviet proposals, namely:

1. The straits should be always open to the passage of merchant ships of all countries.
2. The straits should be always open to the passage of warships of the Black sea powers.
3. Passage through the straits for warships not belonging to the Black sea powers shall not be permitted except in cases specially provided for."

The note itself was drafted after consultations with the British.

Copies were sent to Britain, France, Turkey, Greece, Yugoslavia, and Romania who were, along with Japan, signatories to the Montreux convention under which the straits are now controlled.

## Army Transport Flights Cease

Berlin, Aug. 21 (AP)—Gen. Joseph T. McNarney, U. S. commander in Germany, today announced cancellation of all American army transport flights between Italy and Germany and Austria.

McNarney told a press conference that the flights were cancelled, effective yesterday, pending clarification of free air passage over Yugoslavia.

Air travel from Germany to Austria to Italy will be resumed, McNarney said, as soon as he could reach agreement with Lt. Gen. Sir William D. Morgan, allied Mediterranean commander, on methods to ensure safe passage.

McNarney said he had not been advised by Washington that army commanders would take what initiative is necessary in providing fighter escort or other means for safe flights.

Cancellation of service was the direct result of two incidents in which Yugoslav fighter planes forced down with gunfire American transport planes which entered a corner of Yugoslav territory while flying from Austria to Italy.

## To Try Pu-Yi As Collaborator

Tokyo, Aug. 21 (AP)—Henry Pu-Yi, onetime puppet emperor of Manchukuo, will be tried before a special court, presumably for collaborating with Japan, it was learned today.

Disclosure that the slender "boy emperor" will face trial was made by Joseph B. Kennan, chief prosecutor in the war crimes trials of 27 leading Japanese suspects where Pu-Yi is appearing as a prosecution witness.

In his four days of testimony, Pu-Yi has steadfastly insisted that he was forced to become emperor of Manchukuo because of threats made against his life. He has repeatedly emphasized that he was opposed to the Japanese but dared not show it.

His attempts to excuse himself for not taking a stronger stand against his Japanese overlords drew from Court President William Webb a remark that the witness was not on trial. Kennan leaped to his feet and said:

"When the time comes for Pu-Yi to go on trial before a special tribunal the world will learn whether duress alone is enough evidence to condemn a man."

In his cross-examination testimony, Pu-Yi emphatically denied that he sought Japanese aid in becoming emperor of Manchukuo and labelled as a forgery a letter he purportedly wrote to a trial defendant asking for assistance.

## Dock Workers Strike Ties-up NY Piers

New York, Aug. 21 (AP)—The walkout of about 3,500 longshoremen which started at a few piers Monday afternoon and spread to 26 yesterday, affected Brooklyn piers today for the first time, the war shipping administration reported.

All Manhattan and New Jersey piers previously affected by the walkout remained tied up today. The WSA tabulation placed the total number of piers affected at 28, the number of longshoremen idle at 3,500 and the number of vessels affected at 45.

## The Weather

(Released by the United States Weather Bureau)

Forecast for Salem and vicinity: Clear tonight and Thursday. Slightly warmer tomorrow. Lowest temperature tonight 52. Weather will continue favorable for spraying and dusting. Max. yesterday 89. Min. today 52. Mean temperature yesterday 71, which was 5 above normal. Total 24-hour precipitation to 11:30 a.m. today, 0.00. Total precipitation for the month, trace, which is 21 inches below normal. Willamette river height, -3.6 ft.