Capital Journal

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Oregon Phone Rate Increase Effective June 1

Flagg Grants $3,563,892 Additional Revenue to Company

Increased telephone rates in Oregon totaling $3,563,892 annually was granted to the Pacific Telephone and Telegraph company in an order issued Saturday by George H. Flagg, public utilities commissioner. The new rates become effective on June 1.

The company had requested rate boosts yielding $5,496,000 annually.

For residence service in the Salem area the increases granted were: one-party line, 75 cents a month; two-party line, 50 cents; four party line, 25 cents. There is no change in the farmer line rate.

This boost will bring the monthly residence rates in Salem: one-party, $4.75; two-party, $3.75 and four-party, $3.50.

Business Rate Increase

Business phone rates will be generally increased by $1 a month for individual line stations, except for Portland where the rates will be boosted by $2 a month. In addition extensions to business phones will be increased by 25 cents a month.

In the Dallas, Independence and Monmouth areas the residence telephone increases will be: one-party line $4; two-party line, $3.25 and four-party line, $2.75.

Commenting on the order Commissioner Flagg stated that "the increases granted are as low as will meet the requirements of the Oregon law and provide a reasonable return to the company."

Extensive Investigation

He said that the case had received the most extensive study and investigation of any rate case in the history of the commission.

"The public pays a terrible penalty today whenever it is necessary to increase rates such as these," Flagg said. "In this case the increase will bring about a levy of federal income tax to the company amounting to $1,354,278, leaving the company $2,209,614 of the increased rate revenue. In addition the company faces an additional federal excise tax amounting to $597,873.

Service Charges Out

In addition to the granting of increased rates, Commissioner Flagg maintained his position canceling all payments by the Pacific company to the American Telephone and Telegraph company, on a license contract for services.

Breaking down the total increase granted, Flagg pointed out that the exchange rates are estimated to produce $1,397,000 annually to the company Other increases granted were service connections, installations, and move changes, $316,000; extension stations, $94,000; message telegraph, $4000; regrouping due to growth, $117,000, long distance tolls, $1,270,000 and miscellaneous, $365,355.

$5000 from PGE To Hospital Fund

A subscription of $5000, representing $50 for every employe of this community, has been made by the Portland General Electric company to the Salem Hospital Development program, according to announcement by James Walton. This brings the total subscriptions by the Walton committee up to $86,300.

Units selected in the new building since the last report include:

Doctors room on the first floor by Gov. and Mrs. Douglas McKay, as a memorial to their son, Douglas, Jr.; council room on the first floor by Mrs. Otto J. Wilson, Sr., Otto J. Wilson and Kenneth Wilson in honor of the late Otto J. Wilson, Sr.; flower room on the surgical patient floor by Miss Elizabeth Lord, in memory of her mother, Juliett Montague Lord.

At Salem Memorial: Doctors scrub-up room by Al Loucks, and sterilizing room in the obstetrical department by Douglas McKay Chevrolet company.

$389,023 Building Permits in May

Building permits issued during the month of May in Salem totalled $389,023.

Among the larger buildings for which permits were issued included an apartment house to be constructed by John Steenblock at 1175 Court street for $70,000; a concrete store building in the Center street shopping center for $60,000 and an apartment building at 144 South 13th for $20,000.

April was the banner month for building permits during the first five months of the year when the total value of the permits was $1,278,734.69.

Ford Strike End Hinges on Choice Of Arbitrator

Detroit, May 28 (U.P.)—Thirteen hours of continuous all-night peace talks left the nearly 24-day old Ford strike still unsettled today.

Negotiations called off the long session at 9:25 a. m. (EST) and set another for 8 p. m. (EST) tonight.

Two issues—choice of an arbitrator to settle the dispute over manpower on assembly lines, and the disciplining of 35 Ford workers after the strike began—held up an expected settlement.

Federal Mediator Arthur Viat, who only last night expressed great optimism, was downcast at the turn of events.

"The situation looks hopeless at this time, but maybe there will be a change by tonight," he said.

Both Sides Exhausted

Exhausted negotiators for both sides left the conference room with word that the choice of an arbiter was the main source of the deadlock. This man, presumably an outside expert, would weigh the issues of the Ford "speedup" dispute and reach a verdict.

John S. Bugas, the chief Ford negotiator, said the company still was standing firm on its demands that the arbiter be an industrial engineer.

He said the company had proposed that both Ford and the striking CIO-United Auto Workers work for 72 hours to pick a third party to settle the dispute.

Strikers Reject Proposal

Then, if still in a deadlock, both sides would submit a list of engineering firms to Dr. Harry Shulman, labor umpire between Ford and the union. Shulman would select the arbiter.

The auto workers turned this town.

In reply, UAW President Walter Reuther proposed that the strike be ended immediately, with an arbiter to be selected within the next 72 hours. If one could not be selected by then, one of three men would choose him. These men, the union proposed, would be President Truman, Michigan's Governor G. Mennen Williams or Cyrus Ching, director of the federal mediation service.

On the matter of discipling of the workers, both sides were apparently adament. Ford refused to take back its action in firing 21 of them and suspending 14 more. The union demanded that Ford rescind the action.

Nevertheless, hopes were still high that the crippling strike which has idled 106,000 Ford workers soon will be over. Tonight's session was expected to be devoted towards working on the knotty problems.

Truman Cruises During Week-end

Washington, May 28 (AP) — President Truman is cruising today aboard the presidential yacht Williamsburg.

Mr. Truman with a party including Fleet Adm. William D. Leahy, his former chief of staff, left yesterday for a week-end trip along the Potomac river and up Chesapeake bay.

The president expects to attend religious services at the U. S. naval academy in Annapolis tomorrow. He will be represented at Memorial day services here Monday by military aides.

Senate Interest In CVA Hearings Held Unusual

Washington, May 28 (AP)—Unusual interest being shown in the pending Columbia Valley administration bill by members of the senate public works committee has been noted by Chairman Chavez (D.-N.M.).

Seven members of the 13 on the committee were present when testimony started yesterday. Chavez commented that it was seldom he had seen members show so much interest in a measure that seven were present when a hearing opened.

And, during the five hours devoted to testimony others showed up, so that most of the 13 heard some of the discussion.

Senator Magnuson (D-Wash.), senate sponsor of the Truman-backed bill which also was introduced by Senator Cain (R-Wash.), made the first statement for the bill.

General Pick Witness

He was followed by Maj. Gen. Lewis A. Pick, chief of army engineers, who outlined the comprehensive plan of the engineers for development of the basin.

In reply to a question, General Pick said he did not see how enactment of the CVA bill would speed construction of projects planned by his agency but at another point said that in his official position he felt obligated to support the president's program.

After hearing Magnuson and General Pick, the committee recessed over the Memorial day weekend until Tuesday. Reclamation Commissioner Mitchel W. Straus is to testify then.

Sees CVA Improvement

Magnuson was closely questioned by the committee members as to need for the CVA and whether it would be any improvement over the work now being done by the engineers and the reclamation bureau.

(Concluded on Page 5, Column 7)

Russia Wins On Airways

New York, May 28 (AP)—The Voice of America admits the Russians have regained the upper hand in the growing battle of the airways.

A voice spokesman said last night that American broadcasts to Russia virtually have been drowned out by a record 205 Soviet jamming stations.

"We are getting through only for brief and scattered periods," the voice spokesman said.

Working with the British Broadcasting Corp., the voice has only 61 stations with which to beam American information to Soviet listeners. The Russians are using as many as seven or eight jamming transmitters against a single voice station, he added.

Jamming first was stepped up by Russia last April 24 until it virtually blanketed the voice broadcasts under a cloak of confusing noise.

The voice threw more transmitters into the contest and began broadcasting around the clock. This worked for a while until Russia stepped up her jamming operations again.

The spokesman said the voice broadcasts have been trimmed to bare news essentials of major importance so that Russian listeners who do pick up the voice briefly will be interested enough to listen.

15 Year Old Dionne Quints Unspoiled Little Girls

Callander, Ont., May 28 (AP)—The Dionne quintuplets are 15 years old today—intelligent, unspoiled little girls.

They plan a happy family celebration with their parents, Oliva and Elvira Dionne, and the other children of the family. Sunday they plan a party in honor of their father.

The girls, Annette, Emile, Yvonne, Cecile and Marie, still are disinterested in dates and fine clothing. None of them uses powder, rouge or other make-up.

"That will come soon enough," says Sister Aimee Des Anges, head of their school. "We want them to stay little girls as long as they can."

They dress alike—usually in dark blue jumpers with bright blouses—and are so amazingly similar in appearance that few can tell them apart, except for Marie. She wears glasses.

The girls go to school in the reconverted nursery built with money from movie, photo and magazine earnings, and royalties.

Although the school is on the Dionnes' property and they pay the bills, ten other neighborhood girls of similar age also attend it.

The quints are in the first year of high school now and study from 8:30 a.m. to 4 p.m. under the supervision of nuns. Instruction is in French—their parents' native tongue. The girls understand English but speak it with difficulty.

After school they rush home to the big house and help their mother with the cooking, cleaning and caring for baby brother, Claude, just two years old.

In the basement they have a rumpus room which is the center of neighborhood play.

One end of the room can be turned into a stage by drawing curtains. There the youngsters put on plays and amateur concerts.

None of the girls has yet chosen a career. Their parents insist they will choose for themselves. There have been reports that one or more of them may enter a Roman Catholic convent.

Rita and Aly Married—Seated around table in City hall, Vallauris, near Cannes, France, during ceremony uniting in marriage Brooklyn-born screen actress Rita Hayworth and Prince Aly Khan are (left to right) Prince Aly, Rita, the Aga Khan, Aly's father (white suit). Man standing right, foreground, is unidentified. (AP Wirephoto via radio from Paris)

Moslem Wedding Looms For Rita and Aly Khan

Cannes, France, May 28 (AP)—Two Moslem imams (priests) arrived today from Paris to perform Moslem marriage rites for Rita Hayworth and Prince Aly Khan who were married in civil rites yesterday at nearby Vallauris.

Just when the Moslem ceremony will take place remains a question. Yesterday Rita and Aly were talking about having the Moslem rites in Paris.

Si Kaddour Ben Ghabrit, head of the Moslem church in France, said in Paris:

"A Moslem marriage is a very simple ceremony. It only means that the husband must declare the amount of dowry he is giving his wife. Then the marriage is registered in the Moslem records.

The newlyweds were in seclusion today at their luxurious Chateau de L'Horizon.

Gone were the gay, beautifully dressed guests who yesterday toasted their wedding in champagne (the prince provided 15 bottles per guest), strolled around the scented swimming pool and tasted caviar and other delicacies.

Intimate friends of the couple lingered into the early hours of the morning on the brightly-lit terraces overlooking the blue Mediterranean.

The prince and princess said they would still be at the chateau late this afternoon, but beyond that their plans are their own secret.

Where will they spend their honeymoon?

Well, Rita giggled yesterday, it will involve some traveling. Aly chimed in to say that he hoped to attend the English derby at Epsom Downs June 4 and "I'm sure my wife will come with me."

The prince is heir to the spiritual leadership of the Ismaili Moslems now held by his father, the Aga Khan.

Rita was born a Roman Catholic. If she still considers herself one, a Vatican source said yesterday, the Moslem marriage service would automatically excommunicate her.

Confesses to Torso Murder

Klamath Falls, May 28 (AP)—Sheriff Jack Franey announced this morning that William H. Rice, Klamath Falls cement contractor, is held in the county jail on first degree murder charges growing out of the discovery of the dismembered torso of a woman in Klamath river yesterday.

Sheriff Franey said that Rice came voluntarily into his office this morning and confessed that he had killed Mrs. Rice and disposed of the body in the river.

On advice of his attorney, the contractor refused to divulge further information, the Sheriff said. Franey immediately filed the first degree murder charges and lodged Rice in jail without bail.

Sheriff Franey said Rice told him that the woman's head, arms and legs were disposed of in the river along with the trunk which was found yesterday neatly packaged and floating among tules near the Klamath river bridge five miles southwest of town on US 97. The sheriff ordered further search of the river area this morning.

City police revealed they had been investigating reports from neighbors about the alleged disappearance of Mrs. Rice from the family home at 304 South Rogers street, Klamath Falls, and the case immediately came up for further sifting when the dismembered body was found in the river yesterday by M. C. Cook.

Cook's boat nosed into the grisly bundle when he was salvaging log butts from the river to use for firewood.

16 Cars Derailed In Missouri Wreck

Strasburg, Mo., May 28 (U.P.)—Sixteen cars of a Missouri Pacific freight train, eastbound from Kansas City to St. Louis, were derailed one mile east of here late last night.

A. K. Boyce, chief dispatcher at Jefferson City, said there were no injuries.

According to the highway patrol, railroad authorities said the accident was caused by a dropped draw bar.

The train was the first section of No. 70 and officials said only quick thinking by William Robert Green, operator at Pleasant Hill, Mo., prevented the second section from plowing into the wreckage.

THE WEATHER

(Released by United States Weather Bureau)

Forecast for Salem and Vicinity: Mostly cloudy with occasional rain tonight, becoming partly cloudy with scattered showers Sunday. Little change in temperature. Lowest temperature expected tonight, 50 degrees; highest Sunday, 70. Conditions will be mostly favorable for farm work, Sunday. Maximum yesterday 72. Minimum today 50. Mean temperature yesterday 59 which was 1 above normal. Total 24-hour precipitation to 11:30 a.m. today .06 of an inch. Total precipitation for the month 2.12 inches which is .25 of an inch above normal. Willamette river height at Salem Saturday morning, 1.9 feet.

Bridges Freed On $5000 Bail

San Francisco, May 28 (AP)—Harry Bridges, stormy labor leader charged with perjury and fraud in connection with his citizenship hearing, says the indictment is an administration "smoke screen."

The Australian-born Bridges, naturalized in 1945, posted bail of $5,000 yesterday. Trial was set for June 9. Federal Judge Louis Goodman refused to increase bail to $20,000 nor would he release Bridges on his own recognizance.

Bridges, head of the CIO Longshoremen's union, twice defeated government efforts to deport him, in 1939 and 1941.

Wednesday, he and two top aides, J. R. Robertson and Henry Schmidt, were indicted in connection with his naturalization here in 1945. Bridges was accused of swearing falsely that he was not a communist. He, Schmidt and Robertson were accused of conspiring to defraud the government.

Schmidt and Robertson also posted $5,000 bail each.

Bridges said "this is the result of at least certain elements in the administration connected with and surrounding the president to silence any criticism of the administration."

Lilienthal Gives Atomic Data

Washington, May 28 (U) — Congressional sources said today that Avid E. Lilienthal has given congress important data concerning security of the atomic program while it was under military control.

They said Lilienthal, chairman of the atomic energy commission, turned a document over to the joint congressional atomic energy committee two days ago. But Chairman Brien McMahon, D., Conn., so far has refused to make it public.

McMahon explained that the document has not been read to other committee members and, therefore, is not part of the record of the committee's investigation into charges by Senator Bourke B. Hickenlooper, R. Ia., that Lilienthal has mismanaged the entire atomic energy program.

Lilienthal has been trying to get the committee to judge his administration by comparing it with the way the army handled the atomic program before his civilian commission took over in 1947.

Barnett Memorial Cottage Dedication

Dedication of the Barnett Memorial Cottage at the Turner Memorial home will be held Sunday afternoon at 3 o'clock under the direction of Dean Schomaker, chairman of the board of trustees of the home, with C. F. Swander, Portland, giving the main address.

Taking part in the program will be Rev. Gilbert Carey, pastor of the Turner Christian church; Rev. Elery Parrish, pastor of the Liberty Church of Christ; Rev. Clyde Freeman, pastor of the Stayton Church of Christ and J. E. Gilstrap, superintendent of the home. Rev. W. F. Morse, pastor of the Amity Church of Christ, will give the dedication response. Singing will be lead by Robert Hendershot.

The new cottage is one of six on the 17-acre tract. The cottage has been erected by Dona Barnett and Mrs. Trannie B. Parker, Lexington, in memory of their parents, Mr. and Mrs. William F. Barnett.

Margaret in Paris

Paris, May 28 (AP)—Princess Margaret arrived in Paris today on her return from her holiday in Italy and Switzerland. She was met at the Gare de Lyon by the British ambassador, Sir Oliver Hardy, and the Canadian ambassador, Maj. Gen. George P. Vanier. A crowd of Parisians also turned out to welcome her at the railway station.

Big 4 Powers Likely to Settle Berlin Strike

High Policy Questions Prevent Local Settlement

Berlin, May 28 (AP)—American spokesmen said today Berlin's paralyzing railway strike, which has become involved in the cold war, may have to be settled at higher government levels by the four powers.

"If there is no settlement in the next few days, it may have to go up to the government level," said James W. Riddleberger, the U.S. state department's chief adviser in Germany. "The Paris conference can, of course, step in any time and take action."

Another Try Today

He added that "another try" for a settlement is being made here.

C. A. Dix, American transport expert, said so many questions of high policy have crept into the picture that neither the Russian nor western officials here can take a positive stand. The Russians especially "bump up against their higher policy all the time," Dix asserted.

The people of Berlin, pinched by the week-old strike and recognizing its place in cold war maneuvering, are getting blockade jitters.

Called by west Berlin anti-communist railway workers against their Russian bosses, the strike has been described by the western allies as justified.

(Concluded on Page 5, Column 8)

Allies Propose German Rule

Paris, May 28 (AP)—The western powers today proposed establishment of a federal government for all Germany, including the Soviet occupation zone, based on the Bonn constitution.

That document, now the basic law for west Germany, contains democratic guarantees similar to those of the American and British systems of government.

The United States, Britain and France also called for the ending of military government by the enactment of a four-power occupation statute—or temporary peace treaty.

Soviet Foreign Minister Andrei Y. Vishinsky received the western proposals at the sixth meeting of the Big Four foreign ministers' conference.

American sources quoted Vishinsky as saying the western plan looked like a "fait accompli" by the three western powers and was one sided. He indicated it would be "unacceptable" to the Russians but said he would study it and take it up at the Monday meeting of the ministers. Early this week the two German communist delegates to the convention which drafted the Bonn constitution refused to sign it.

Under the western plan, Russia was invited to link the eastern zone of Germany with the federal republican arrangements evolved at Bonn. The Bonn constitution has been approved for the 45,000,000 Germans living in western Germany. Residents of eastern Germany number less than half that many.

Meridian Dam Contract

Portland, May 28 (AP) — A $837,295 contract to relocate 2.5 miles of the Southern Pacific railroad and 2.5 miles of state highway No. 58 was awarded by the army engineers today to Utah Construction Co., San Francisco. The relocation work is necessary for construction of Meridian dam on the middle fork of the Willamette river.

Program of Peace to Feature Memorial Day Observance

(By the Associated Press)

The nation will observe its 81st annual Memorial Day Monday with prayers for enduring peace and homage for its hero dead who fell on the field of battle.

All across the land—in Hallowed Arlington cemetery, in tree-shaded country churchyards—Americans will gather to pay their solemn tribute to those who died in their country's cause.

Only through "divine guidance" can the world avert another war, President Truman said in a proclamation calling for his countrymen to observe Memorial day with a nation-wide prayer for peace.

"This sacred day," Mr. Truman said, "is a fitting occasion on which the people of our nation, all of whom, directly or indirectly, have been bereft by war's terrible toll, may appeal to Almighty God for help in turning the steps of the world to the paths of permanent peace."

The graves of the dead will boom afresh in thousands of cemeteries throughout the country.

Wreaths will be placed on the tombs of the Unknown Soldier in Paris, London and in Arlington National cemetery. Sen. Millard Tydings (M., Md.), chairman of the senate armed services committee, will deliver the Memorial address at the Arlington shrine.

Before the ceremonies at Arlington, a floral anchor will be cast into the Potomac river in tribute to the dead of the navy and the marine corps. Across the nation, at San Diego, Calif., a floral cross will be dropped into the waters of the Pacific.

Impressive Memorial day services were planned for the Cathedral of the Pines in Rindge, N. H., famed outdoor shrine to all the American dead of the last war.

At Ipswich in Essex county, Mass., the battle flag of the aircraft carrier Essex—extolled by its crew as the "fightingest ship in the navy" — will be presented to the town.

Shanghai Quiet Under Red Rule After Long Siege

Complex Problems Already Felt—Currency Troubles Halt Trade

Shanghai, May 28 (AP) — This largest city under Chinese communist rule was returning to normal today after the long siege and disruption of its economic life.

But the complex problems attendant to the running of a metropolis of 6,000,000 persons already were beginning to be felt.

Communist officials have not set the rates for their new currency, the jen min piao.

Consequently, merchants who are rapidly reopening their places of business won't take the old nationalist currency, which was floated in great volume before the communists took the city.

Red Money in Use

The open money market was dealing already in communist money along with Chinese silver dollars and U.S. currency. These three are all merchants will accept.

The Nanking-Shanghai railroad is ready to resume regular service. Newspapers say, however, that there is only a 10-day supply of coal.

Railway service between Shanghai and Nanking was getting back to normal. The first train to Nanking departed late today after two officers arrived to head the railway department of the communist military control council.

Newspapers said the Shanghai-Nanking line has only a 10-day supply of coal.

Shipping Problem

Another problem is shipping, without which Shanghai cannot live.

Foreign and Chinese shipping lines were trying to contact the proper communist authorities to negotiate resumption of service. Foreign air line officials here were doing the same thing.

A spokesman for American President lines said it would like to bring ships in as soon as possible.

No more American aid will come into Shanghai under the economic cooperation administration program, announced George St. Louis, ECA director here.

The Shanghai Power company has fuel oil for only 16 days. For the past several months its oil supplies have been paid for with ECA foreign exchange.

The Red regime will face a critical situation unless more oil can be procured speedily.

British Curfew In Hong Kong

Hong Kong, May 28 (U.P.)—British administrators of Hong Kong imposed an eight-hour curfew on movement along the crown colony's borders today as the communist tide in China rolled closer.

At the same time the first naval reinforcements, the light cruiser Jamaica, steamed into the harbor here from the West Indies. The Jamaica, under Capt. F. A. Ballance, brought cruiser strength on the far east station to three ships, including the London and Belfast.

Other reinforcements which have arrived recently include a squadron of Spitfire fighters, several bombers and several hundred royal engineers.

The curfew will be effective June 1 along the Chinese-British border and the waterways in which the border terminates. An announcement said violators would be fired upon if necessary.

All overland and water movements are prohibited by the curfew between the hours of 10 p. m. and 6 a. m. for a depth of about two miles along the 15-mile border and also in Deep Bay and Mirs Bay.

Oregon Planes Land At Portland, Maine

Portland, Me., May 28 (U.P.)—Sixty-seven light planes, scattered by bad weather, began straggling into landings at the Municipal airport today to end a Portland, Ore., to Portland, Me., goodwill hop.

The planes were forced down at half a dozen points last night because of rain.

Most of the pilots were expected here in time for a clambake and a ceremony in which Pilot Ed Parsons of Astoria, Ore., planned to empty a bottle containing water from the Pacific ocean into the Atlantic.

The seven-day tour followed the route of the Old Oregon Trail—in reverse. The flight started out with 53 planes but picked up 14 others en route.