

THE WEATHER HERE

INCREASING CLOUDINESS, mostly cloudy tonight, Wednesday. Clearing in afternoon. Slightly cooler. Lowest tonight, 53; highest Wednesday, 80.

Maximum yesterday, 87; minimum today, 61. Total 24-hour precipitation: trace; for month: .28; normal, .45. Season precipitation: 42.25; normal, 37.75. River height, -3.8 feet. (Report by U.S. Weather Bureau.)

Capital Journal



HOME EDITION

61st Year, No. 206

Entered as second class matter at Salem, Oregon

Salem, Oregon, Tuesday, August 30, 1949

(20 Pages)

Price 5c

Pick West Side For Portland's State Building

Board of Control Locates New \$2,500,000 Office Building

The new \$2,500,000 state office building in Portland will be located on the west side of the Willamette river on a block bounded by Southwest Clay, Columbia, Fourth and Fifth streets.

Governor Douglas McKay and Secretary of State Earl T. Newberry voted in favor of the west side site while State Treasurer Walter Pearson voted alone for an east side location.

The decision made Tuesday brings to an end a three year dispute over the location of the Portland office building, the project having been considered by three separate boards of control.

Site Cost \$325,000

The block selected is owned by the Jensen Investment company and was purchased for \$325,000.

Newberry stated that he believed it would be a mistake to locate the building on the east side of the river.

"This building, although located in the city of Portland, is for the people of the state," he said. "The great majority of out of town people who go to Portland have business to transact on the west side of the river and the state building should be there too."

McKay States Reason

Governor McKay said that he was convinced the business area of Portland would remain on the west side for a long time. Further, he said, the two state departments doing the greatest volume of business, the unemployment compensation commission and the accident commission, would be located in close proximity to the labor temple if the west side site was chosen.

(Concluded on Page 5, Column 8)

Refuse Probe Brownlee Case

The board of control turned down today a request by State Treasurer Walter Pearson that the board ask for a legislative investigation of the suicide of Oran Brownlee, 24, Eugene, penitentiary convict who killed himself last March.

Pearson, one of the three members of the board, said the people would have more confidence in an investigation conducted by the senate committee on state institutions.

But the other two members, Governor Douglas McKay and Secretary of State Earl T. Newberry, said it is the board's responsibility to investigate. They added that if the senate committee wants to look into the matter, that would be OK but the board isn't going to ask the committee to do it.

Governor McKay said Attorney General George Neuner will have a preliminary investigation completed by the end of this week.

Neuner, at the request of the board, is looking into charges that Brownlee did not receive proper medical attention after his successful suicide attempt.

Steel Mediation Plan Cancelled

New York, Aug. 30 (AP)—President Truman's steel fact finding board today withdrew its offer to mediate the steel dispute after the industry had indicated that such talks must be conducted on an individual company basis.

Chairman Carroll R. Daugherty of the board said the three members had decided that the position taken by the companies made the task of mediation "physically impossible."

He added that the board had notified the CIO United Steelworkers of its decision to withdraw the mediation offer and that the union had not indicated what position it would have taken.

The board now will proceed to write its report containing recommendations for a settlement in the dispute. This report must go to the White House not later than September 10.

Czechs Assert Anti-Red Plot Nipped in Bud

Six Revolutionists Condemned to Death, 10 Get Life Sentences

Prague, Aug. 30 (AP)—The Czechoslovak government announced today it had crushed an anti-communist underground movement just as the group was preparing to begin an armed revolution.

The official press bureau linked the underground members with "a certain western imperialistic power" but did not identify the western power.

Details of the purported plot were announced after a secret trial at which six persons were condemned to death, 10 given life imprisonment and an unspecified number lesser prison terms. Ten of those tried were acquitted.

Tried for High Treason

The announcement termed members of the group spies and terrorists and said they were tried on charges of high treason and spying on behalf of the western power "with which they had been in contact."

The government claimed its police had played a cat-and-mouse game with the alleged conspirators and waited until they were all set to begin the revolution before moving in to nab them.

One of those sentenced to death was Josef Charvat, identified by friends as chief of security police here during the first republic.

The government said the political leader of the planned putsch was Dr. Jaroslav Borkovec, identified as the brother of a former chief of the Prague police's criminal investigation section. His brother was ousted when the communists took over the government in February, 1948.

Army and Police Wanted

Informed sources said those sentenced included army and police personnel, as well as civilians.

The trial of the group was reported to have lasted several weeks in the Prague state court. The government said many of the accused pleaded guilty.

Date of the attempted coup was not disclosed, but it was reported the group chose a bank holiday "when the working people were at home and unable to mount counter-action."

A spokesman at the American embassy said "we don't know anything about this. It is just as much news to us as to everybody else."

Youth's Knife Failed To Scare Police

Portland, Aug. 30 (AP)—A boy's pocket knife failed to cow police and a 17-year-old Woodburn training school escapee was held in the city jail today.

The juvenile sought to cash a worthless check at a department store and police were called. When they arrived, he whipped out the knife and brandished it with the words, "stay where you are."

Police didn't and he went to jail. Juvenile court will be asked to release him to face charges of attempting to obtain money by false pretenses and carrying a concealed weapon.

Young Queen Will Rule Over Fiesta of Hops

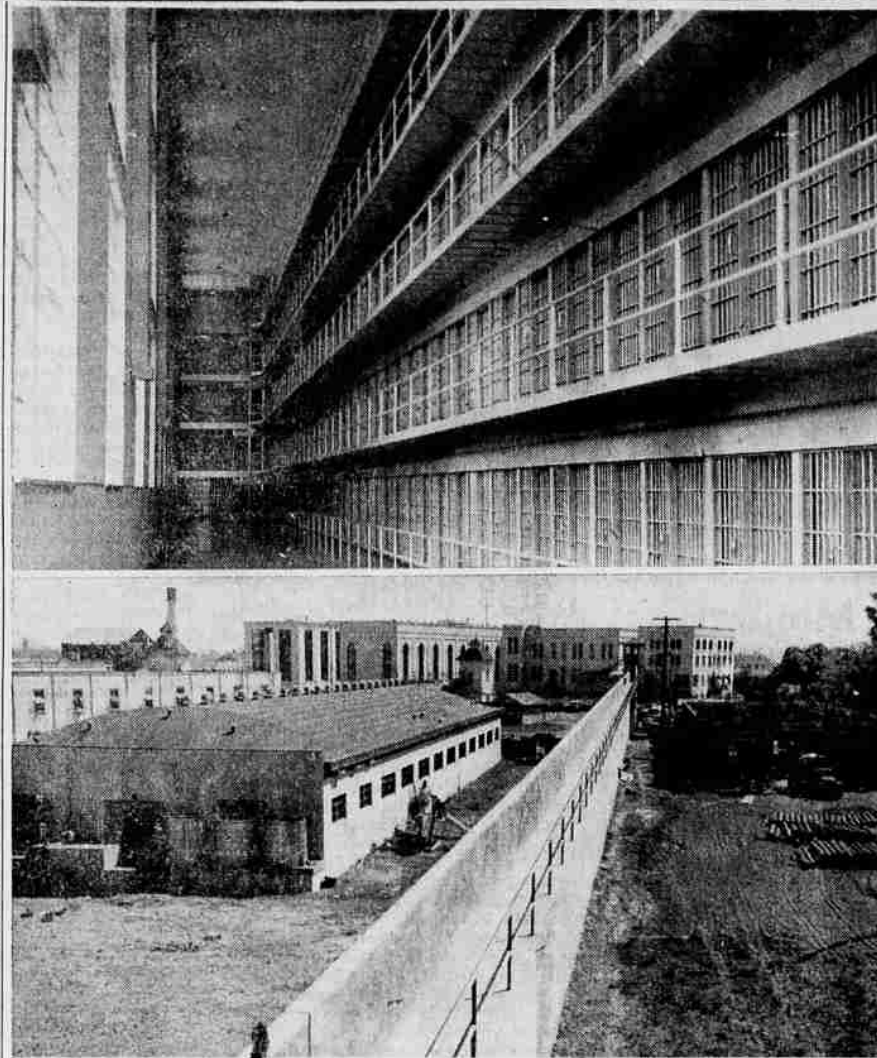
Independence, Aug. 30—One of the youngest queens ever to rule over the annual hop fiesta will be selected Wednesday afternoon at 4 o'clock and will be between 8 and 10 years old.

Coronation ceremonies will be held during a home talent show at 8 o'clock with Mayor Ralph Spencer crowning the new ruler. Another coronation will be held Friday night when Senator Dean Walker crowns the king or queen of Toyland at a home talent show at the gymnasium. All events are in the school gymnasium.

Ten acts of vaudeville will be presented both nights under the direction of Virginia May Mathay, of Hollywood.

An outdoor show will be given by the Salem Saddle club at 6 o'clock Thursday evening followed by the grand parade at 7 o'clock. A street dance will conclude the day's events.

The children's parade will be held Friday evening at 7 o'clock followed by the second home talent show. The official hop fiesta dance will be held at the gymnasium Saturday night starting at 9:30 o'clock. All hop fiesta special shirts, 60



Substantial Improvements at Penitentiary—Top, newly completed cellblock, 60 by 254 feet, with individual cells for 400 prisoners. Each cell is provided with a cot, bedding, wash basin, toilet, writing table and shelf for the inmate. This cell block costing \$550,000 is air conditioned. Lower: Section of the new, 25-foot wall now on 80 percent completed. A new warehouse is under construction at the right and a root storage will be built nearby. Completion of the new wall will be accomplished before January.

Prisoners to Occupy New Cells Thursday

Modernization of Oregon's penitentiary is taking form with completion of a new \$550,000 cellblock to house 400 prisoners in individual cells.

Some prisoners have already been moved into the newly-completed section and all of the new cells will be occupied Thursday, Warden George Alexander announced.

There are four tiers of cells on each side of the cell block. Each cell is equipped with a cot, with mattress, three blankets, sheets and pillow cases. Also in the cell is a wash basin, toilet, writing table and shelf on which the prisoner can keep his personal effects.

More Bids to Be Opened The cell block, 60 feet wide and 254 feet long is air-conditioned. There are no lights in any cells, illumination being formed by reflected light through glass into the cells from globes in the corridors. (Concluded on Page 5, Column 8)

Safeway Fire Loss \$4 Million

San Francisco, Aug. 31 (AP)—A fire causing an estimated \$4,000,000 loss, raged for six hours today through a grocery warehouse of Safeway Stores, Inc.

Division Manager G. H. Brantland said the block square warehouse was worth \$1,500,000. He estimated the value of groceries destroyed at around \$3,000,000.

More than 35 firemen were hurt, but only four required hospitalization. A general alarm, rarely sounded, summoned all off-duty firemen to man outlying stations as equipment moved up to the firelines from all quarters. About 600 men, off duty, responded to the call.

Five thousand or more spectators crowded into the area. The warehouse was at army and Evans streets. It held every type of merchandise sold by Safeway stores.

\$8.3 Billions in State Taxes Paid

Washington, Aug. 30 (AP)—The census bureau reported today that state tax collections in the last year amounted to \$8,300,000,000, a rise of 7.1 per cent over the previous 12 months.

Louisiana led the list in tax increases for the period ending last June 30. Louisiana's state levies jumped 51 per cent. Thirty-nine other states showed increased collections.

Louisiana state levies now are the highest per capita in the nation, the census report showed. They amount to \$92 for every man, woman and child.

Nebraska had the lowest per capita tax revenue, \$36. The average for all states is \$57, but the trend of state collections still is rising.

Excluding payroll collections for unemployment compensation, which are not strictly revenues because they are held in trust for payment of benefits later, state taxes yielded a record \$7,400,000,000 in fiscal 1949, or 9.5 per cent more than in 1948.

Other states showing a sharp increase in tax collections last year (including unemployment compensation levies) included Oregon, 12.6.

State tax collections per capita showed these among the highest: California \$83.41; Colorado \$75.55; Michigan \$73.06; Utah \$69.24; Washington \$90.07; Oregon \$68.45.

Hawaii Resists Dock Picketing

Honolulu, Aug. 30 (AP)—The territory of Hawaii today planned to resist picketing of its dock operations by striking CIO longshoremen. Both government stevedoring and picketing against it were upheld by a federal court.

U. S. District Judges J. Frank McLaughlin and Delbert E. Metzger announced the double-bitted decision yesterday. They said the territorial government could continue in the stevedoring business which it began after seizing the islands' strike-plugged docks under an emergency law passed by the Hawaiian legislature August 6.

The judges also ruled the International Longshoremen's and Warehousemen's union could keep on picketing the government-operated docks. The union's 2,000 stevedores struck 122 days ago to raise their \$1.40 hourly pay by 32 cents.

The ILWU had challenged the law in federal court. It had asked an order temporarily restraining the government from operating the docks. The two judges said their ruling upholding territorial dock operations and the union's right to continue picketing would be effective until they completed a hearing on the union's application for a permanent injunction.

It was the court's action on picketing that brought an immediate promise of resistance from J. Garner Anthony, the territory's special deputy attorney general.

Vaughan Says Contributions Were for '48 Campaign Fund

Bolivian Rebel Planes Attack Army Airport

La Paz, Bolivia, Aug. 30 (AP)—Two rebel planes today dropped mortar shells on the La Paz army airport and a nearby military college.

The revolutionists used mortar shells because they have no bombs, a government spokesman said. The shells did no damage, he added.

The planes, DC-3 transports, flew over La Paz itself, but were driven off by anti-aircraft fire.

Meanwhile the government began a draft of all citizens in a fight of survival against the spreading rightist revolution.

Reservists, 20 to 24, were called to the colors in La Paz and orders for mobilization have been issued to all men 18 to 50. To Fight Revolt

They will be called upon to fight the revolt against the middle-of-the-road government that broke out in scattered sections Saturday and now controls all of Bolivia's large cities except La Paz.

Greatest government efforts so far have been directed against Cochabamba, a city of 90,000 southeast of La Paz, where the rebels are strongly entrenched.

Airforce planes bombed the town yesterday for the third time, but reports said they did little damage. The raids terrorized the inhabitants, however, and indignation against the act seems to have added new recruits to the rebellion.

Insurgents Seize Planes The planes, after dropping their bombs on Cochabamba, flew on to the garrison town of Camiri to pick up troops for an attack on Sucre.

(Concluded on Page 5, Column 8)

Tito Likely to Get U.S. Loan

Washington, Aug. 30 (AP)—Marshal Tito of Yugoslavia is considered virtually a cinch to get an American government loan—provided he stays alive and independent from Moscow.

Top government officials said Secretary of State Acheson's strong support for Yugoslavia's application clearly foreshadows a favorable verdict.

Acheson and Ambassador Cavendish Cannon in Belgrade are reported vigorously urging the export-import bank not only to approve Tito's bid but to do it quickly.

The Yugoslav dictator is said to be in need of quick economic help from the United States and other western countries to help him weather the economic blockade now threatening to strangle his country.

The Yugoslav government was disclosed last night to have applied formally to the bank for a credit of around \$25,000,000 needed to buy American machinery for its copper, lead and zinc mines.

Tito is reported to have turned to the bank, an American government agency, because he feels he cannot wait possibly six months for a credit for the international bank.

Australian Wool Prices Upped

Adelaide, Aug. 30 (AP)—Wool prices were five to ten percent up on June rates at opening of new season wool sales today. Competition was again keen with Bradford and Continent representatives as principal buyers.



Maj. Gen. Harry H. Vaughan

Economy Fight Lost in Senate

Washington, Aug. 30 (AP)—A senate economy drive which had built up steam for months appeared bogged down at last today following final senate action—long overdue—on billions of dollars in appropriations.

In the final voting yesterday on a \$14,800,000,000 defense money bill, economy advocates actually showed a good-sized majority. Pushing an amendment which would have required President Truman to cut government expenses five to 10 percent, they summoned a total of 49 votes against only 28 for the opposition.

But that was not enough. It fell three votes short of the two-thirds margin which Vice President Barkley, the senate's presiding officer, had ruled necessary.

That appeared to put the whole economy question over until the 1950 congressional campaigns.

The proposed rider would have required Mr. Truman to chop from two to four and a half billion dollars from the estimated \$45,000,000,000 he asked congress to authorize for government spending this fiscal year, which started July 1.

Its defeat marked a hard won victory for Democratic Leader Lucas who must run for re-election in 1950.

It was a major setback for two southern democrats, Senators McClellan of Arkansas and Byrd of Virginia, and two top republican leaders, Senators Wherry of Nebraska and Taft of Ohio.

Senator Vandenberg of Michigan, top-ranking republican on the foreign relations committee, wants to hold it to an even \$1,000,000,000.

Connelly named himself and three other members of the combined committees to study the plan and report to the full group. The other three are Vandenberg, Chairman Tydings (D-Md) of the armed services committee, and Senator Gurney (R-SD).

Statehood Bills 'Must' Measures

Washington, Aug. 30 (AP)—Rep. Sabath (D, Ill.) said today that Alaska and Hawaii statehood bills are among a number of "must" measures on which President Truman asks early action after the house ends its recess.

Others which Sabath said the president put in the same category included: Creation of a permanent fair employment practices commission under the "civil rights" program; \$150,000,000 recovery program in southern Korea; a \$100,000,000 public works planning program; expanded social security benefits; increased benefits for postal workers.

Press of Britain Thanks Truman

London, Aug. 30 (AP)—The British press gave out today with a heartfelt chorus of "thank you," Mr. President.

The Philadelphia speech by President Truman aroused a much greater chorus of "thank you" than had been a personal pat on the back for every Briton.

Mr. Truman's avowal of continued sympathy and friendship for the British people was the day's top news story.

It was hailed on all sides as a good omen for the dollar crisis talks starting in Washington on September 7. In labor party circles there were audible signs of relief.

"Truman says hands off other people's politics" was the jubilant headline in the daily Herald, the party mouthpiece.

Mr. Truman told legion delegates the U. S. will help great Britain solve her present financial crisis.

The president said flatly that "a sound and expanding economy is essential to world peace." He insisted the U. S. will examine Britain's currency dilemma in a "spirit of friendship and helpfulness."

"The democratic nations are not proposing to interfere with one another's internal politics," Mr. Truman said.

Maragon, Helis Each Paid \$2000 To Truman Aide

Washington, Aug. 30 (AP)—Maj. Gen. Harry H. Vaughan acknowledged today that he collected campaign money in 1946 from some of the business men he helped in dealings with the government.

He said he got \$2000 or \$3000 from Race Track Owner William Helis, who sought Vaughan's aid in 1948 in getting a permit for scarce building materials for the Tanforan (Calif.) race track.

And, Vaughan said, he "probably" got \$2000 from John Maragon, Washington man-about-town and one time employe of a Chicago perfume company.

Vaughan, the president's military aide, was in the witness chair of the senate investigations subcommittee.

Denies Receiving Fees Flatly and repeatedly, he denied that there was anything improper in anything he did for any business man—or that he ever received any fee, gift or favor in return for his aid.

Senator McCarthy (R-Wis) said at one point he felt that "Vaughan did not personally profit financially" from his assistance to persons who have figured in the inquiry.

(Concluded on Page 5, Column 7)

Compromise On Arms Aid

Washington, Aug. 30 (AP)—Senator Connally (D-Texas) proposed a compromise today in a bid for "overwhelming approval" of President Truman's \$1,450,000,000 arms aid program.

The administration's foreign policy leader in the senate offered the plan to the combined foreign relations and armed services committees which are considering the arms bill.

He withheld details of the proposal, however, until a group of republican and democratic senators from both committees have had chance to study it.

Connally is head of the foreign relations group. He told reporters that one of the things the compromise deals with is the amount to be provided for military aid to European nations in the Atlantic pact.

President Truman asked \$1,160,990,000 for that purpose. Senator Vandenberg of Michigan, top-ranking republican on the foreign relations committee, wants to hold it to an even \$1,000,000,000.

Connally named himself and three other members of the combined committees to study the plan and report to the full group. The other three are Vandenberg, Chairman Tydings (D-Md) of the armed services committee, and Senator Gurney (R-SD).



President Harry S. Truman, wearing a Missouri Legion cap, is greeted as he arrived in Philadelphia to address the 31st National American Legion convention. In the group (left to right) are Gov. James H. Duff, Philadelphia; President Truman, Perry Brown, National Legion commander; U. S. Senator Francis J. Myers (D, Pa.), and Philadelphia Mayor Bernard Samuel. (AP Wirephoto)