

THE WEATHER

PARTLY CLOUDY tonight and Thursday. Little change in temperature. Low tonight, 34; high Thursday, 54.

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Seek to Impose State Tax on Real Property

Levy to Raise from \$6 To \$18 Million Proposed by House Program

A state tax on real property to raise between \$6 million and \$18,400,000 during the second year of the 1951-53 biennium will be imposed if the house tax program, now shaping up, is adopted by the legislature.

The amount of money that the house committee will recommend as a state property tax is dependent upon how deep the ways and means committee can slash the \$180,000,000 state budget.

At a meeting of the house taxation committee held Tuesday night, a bill transferring personal income tax collections made after June 30, 1951 into the general fund was voted out with favorable vote.

To Repeal 1949 Law

In addition the committee approved a bill repealing the distribution section of the tax law of 1949, with the result that the county school tax, estimated at \$8,200,000 for the biennium, and heretofore met with income tax revenues, will be passed back to the counties.

If this bill becomes law, it would mean that counties of the state will face an additional 5 mill tax levy for county school support.

House Joint Resolution No. 12, removing the state from the state property tax through amendment of the state constitution was also approved. If this resolution is adopted, the voters will pass on it in November, 1952.

(Concluded on Page 5, Column 8)

Electric Bond Opposes Sale

Spokane, Feb. 21 (AP)—Electric Bond and Share, a major stockholder in the American Power and Light company, demanded today that the securities and exchange commission take jurisdiction over AP&L's proposal to sell the Washington Water Power company to public utility districts.

Abner Goldstone, a New York attorney representing Electric Bond and Share, told an SEC hearing his company owns 7.8 percent of American's common stock and doesn't believe the proposed sale should be permitted without full disclosure of all the facts.

American has served notice it intends to sell WWP to two or more Washington PUDs. Goldstone said the notice contains "no adequate disclosure of facts such as needed to protect the public and investors," he said.

The PUDs, who contend SEC has no jurisdiction since they are public bodies, were scheduled to present their testimony this morning. But two hours after the second day's session got underway, "pro-jurisdiction" speakers were still to be heard.

A spokesman for 10 local stockholders of American called on AP&L to distribute its WWP common stock on a pro rata basis to the shareholders.

Red Pacifists Meet in Berlin

Berlin, Feb. 21 (AP)—The "World Peace council," opening a three-day session in East Berlin, today called on world communism to oppose rearming of West Germany and Japan.

The pro-Kremlin council, summoned from far and wide, set up committees to draft resolutions pinpointing the Soviet-inspired aims of keeping the former axis partners defenseless.

The policies to be adopted by the council before Saturday night will amount to gospel for communist followers throughout the world.

In a huge Soviet-sector hall decked with red flags, the council opened its public sessions shortly before noon today with Pietro Nenni of Italy in the chair.

On the rostrum were such international figures as Dr. Hewlett Johnson, "Red dean" of Canterbury; Ilya Ehrenburg, top Soviet journalist; Jean LaFitte of France and Professor Kuo Mo Jo, president of Communist China's "peace committee."

The council, in a preliminary statement, declared this session would be devoted to "the great historical decision facing the world today—war or peace."

Young Denies Pocketing Fees On RFC Loans

Testimony Contradicts Texas Story of \$85,000 Fee

Washington, Feb. 21 (AP)—E. Merl Young, one-time government messenger, swore today that he never received any fees or commissions from anyone who wanted a reconstruction finance corporation loan.

Young denied to a senate banking subcommittee that he offered to be influential in obtaining a \$10,100,000 RFC loan for the Texmass Corp., a Texas and Massachusetts oil development company.

His testimony on that point contradicted that of Ross Bohannon, a Dallas, Tex., attorney, who told the subcommittee earlier that Young sought an \$85,000 fee from Texmass to influence granting of the loan.

Bohannon, who represented the Texmass firm, had described Young as a man of "tremendous influence" who was "close to President Truman."

Young Most Influential

The senate committee is exploring its charges of "favoritism and influence" in the granting of loans by RFC, the government multi-million dollar lending agency. A recent committee report criticized three RFC directors and said of Young: "The individual named most frequently in the reports of alleged influence which have reached the subcommittee is E. Merl Young."

Young, a spare man with thinning hair, read a prepared statement to the subcommittee when he took the stand after being sworn.

(Concluded on Page 5, Column 4)

Auto Output to Continue High

Washington, Feb. 21 (AP)—A high government official says production of passenger cars and other consumer goods will continue at "very high levels" despite a one-fifth cut in steel for such products during the second quarter this year.

The cut in steel use was announced yesterday afternoon by Manly Fleischmann, national production administrator.

It applies to passenger cars, refrigerators, washing machines, cutlery, household appliances, bicycles and speed boats, jewelry, games, novelties and slot machines.

Steel which may be used in such products during the quarter beginning April 1 will be limited to 80 percent of the average quarterly level during the first half of 1950. Output of goods themselves was not limited, but manufacturers would have to use some substitute materials.

Fleischmann told reporters the limitation is necessary to save about 1,000,000 tons of steel for defense and defense-supporting programs. The administrator said the consumer durable goods industry, which consumes roughly one-fourth of the nation's finished steel production, generally has been operating at the highest level in history. At the same time, he said, many small industrial concerns have been unable to obtain their fair share of the materials.

Marion Circuit Judges Favor Juvenile Court

If juvenile offenders in Marion county are to be given the proper attention, a new department of domestic relations should be established.

This was the gist of testimony given before the house judiciary committee Wednesday by Circuit Judges George R. Duncan and Rex Kimmell in support of House Bill 5, introduced by Speaker of the House John F. Stelhammer.

"I do feel that the juveniles of this county are neglected because of the lack of time that the two judges can give to them," Judge Duncan said. "It is a work of great importance and I think it comes to a question of whether the people want juvenile cases in five minutes and the cases then thrown back to the juvenile officer or have a court that will actually delve into these cases and make an attempt to reclaim the delinquent youths."

Judge Kimmell told the committee that he believes that Marion county has sufficient court business to warrant a third judge who devotes his time exclusively to divorce cases and juvenile matters.

"It takes time to properly handle juveniles and at present such time is not available," he added.

Members of the committee asked the judges to compile a record of time consumed in handling cases directed against state departments and held up action pending submission of this data.



Blast Follows Suicide by Gas

Portland, Feb. 21 (AP)—Fumes from apartment house gas stove exploded today, causing an estimated \$15,000 damage. All burners of the stove had been turned on and the apartment occupant was dead of asphyxiation hours before the blast.

Deputy Coroner Ted Lucas said it appeared that the occupant, identified by papers as Elmer Earl Dillinger, 47, The Dalles, had turned on the gas jets, written a note, then died of the fumes. After several hours the gas ignited, possibly from an oven pilot light.

Four apartments in the building, the Bristol at 508 S. E. Grand avenue, were heavily damaged but no one was injured.

Manager Everett Rodgers, first to enter the apartment, said the kitchen was ablaze and papers on a table were burning. A charred writing tablet with a pencil beside it, was on the table above Dillinger's body.

Lucas said he thought Dillinger had written a note on the tablet, but it was not possible to say definitely. Photographs, personal cards and letters had been arranged on the bed.

200 Cases Flu Indian School

Approximately 200 cases of influenza were reported as being prevalent at the Chemawa Indian school Wednesday and because of the outbreak the scheduled celebration in observance of the 71st anniversary of the institution has been postponed.

Dr. W. J. Stone, county health officer, characterizes the disease as "comparatively mild" and one that is hard to control because of the close proximity in which the pupils live. He expects the epidemic will run its course with all students becoming immunized before it subsides.

The disease stems from a new virus strain—one that is hard to immunize against, states Dr. Stone. The county health officer reports that other than the Indian school, few instances of influenza have been brought to his attention.

Russell Kelly, superintendent of the Indian school, is on the Atlantic coast attending the annual convention of the National Education Association and will not return until the 25th.

Crippled Youth Goes To School By Radio

Harold Cummins, 15, Salem high school sophomore, is, according to his teachers, an "extremely responsive student."

Harold participates in classroom discussion much more than the average student. He supplies answers to many questions. And the questions he asks his teachers are a benefit to the entire class.

Yet Harold has never been inside a Salem high school classroom. He is confined to his home at 1060 Mill street, abed with a hip injury.

Pacific Telephone and Telegraph company recently installed a two-way speaker system between Harold's bedroom and three classrooms at Salem high school.

For three hours a day, Harold tunes in his bedside speaker to a class at Salem high school. He can hear everything the teachers and pupils say.

Teachers often call on Harold during class discussion periods. Harold merely presses a handle on his two-way speaker, and his voice comes out loudly and clearly in the classroom.

Harold "attends" classes in English, biology and world history through his two-way speaker. He receives mathematics instruction from his tutor, Miss Frances McCarter.

Harold is the only student in Oregon who has a classroom-to-bedroom speaker system. The system is working out very satisfactorily, and it is expected to be followed by other schools soon.

Note—School officials will please refrain from reading the following paragraph: Harold has admitted he has skipped classes. "It's a cinch," he confides. "I just don't turn the speaker on."

'Egg and I' Held Not Libelous

Seattle, Feb. 21 (AP)—Ten persons who contended they were libeled in the humorous novel "The Egg and I" lost their suit yesterday to recover \$500,000 in damages.

A superior court jury, which was out more than 24 hours, decided unanimously in favor of the defendants, Betty MacDonald, who wrote the best seller, her husband, Donald, and her publisher, J. P. Lippincott.

The jury of nine men and three women took only one ballot. The many hours before their reached a verdict was spent in listening to "The Egg and I" being read aloud.

This was a literal interpretation of Superior Judge William J. Wilkins' instructions to the jury that the book be considered in its entirety.

The half-million dollar suit was brought by nine members of the Albert Bishop family of northwest Washington and Raymond H. Johnson, Seattle. The Bishops held they were portrayed as the "Kettle" family of the novel which had the rugged Olympic peninsula wilderness as its locale. Johnson argued he was the Indian "Crowbar" described by Mrs. MacDonald.

Jurors were polled individually on each of the 10 cases, and said that none of the plaintiffs could be identified as a character in the book.

Mrs. MacDonald, who had not expected a verdict last night, was at the home of a sister when the jury reported its decision shortly before 6 p.m.

2 States Power Lines to Link-up

Portland, Feb. 21 (AP)—Pacific northwest and California power distributing systems will be linked by November 1, 1952.

Interior Secretary Oscar Chapman said in a telegram read at a meeting of the Columbia basin interagency committee here yesterday that the acting defense power administrator had certified the interconnection as "required in the interests of national defense and setting forth the benefits to both the Pacific northwest and to California areas."

The telegram, read by Bonneville Administrator Paul J. Raver, was a copy of one sent to Washington State Representative Edward E. Henry, answering objections by the legislators to the connection.

The bureau of reclamation will build a 220-kilovolt transmission line from Shasta dam north to Klamath Falls, Chapman said. There it will connect with Bonneville power administration facilities being built to serve southern Oregon.

The average annual saving would equal a minimum of 730,000 barrels of "oil vital to defense," Chapman said, adding that the connection would firm up 100,000 kilowatts of power for northwest aluminum plants which now are served on an interruptible basis.

This, he said, would permit production of 40,000,000 pounds or more of aluminum "which could not otherwise be produced in event of adverse water conditions in the Pacific northwest, by importation of steam generation from California."

French Seeks Repeal Of Basic School Law

Rep. Giles L. French, Moro, said today he is introducing a bill to repeal the \$30 per child basic school fund increase which was voted by the people last November.

It is the second measure to reduce state school aid to districts. The \$30 per child increase would cost the state \$11,000,000 a year.

Life Begins at 40 or Does It?

Hal Boyle Wonders He's 40 Today Read His Thoughts on This Birthday of His on Page 4 in Today's Capital Journal

Salem's Leading Newspaper

Allies Flatten Red's Wonju Bulge in Central Korea Line

Prevention of World War III Seen by Truman

Washington, Feb. 21 (AP)—President Truman said today "we are gradually approaching a position" in which a third world war can be prevented.

All the current attempts to build up men and material is merely an effort to prevent such a war, he told a group of Masonic leaders. He added: "We are gradually approaching a position in the world where that can be prevented, if we have the support and cooperation of all segments of the population."

"And that means industry, labor, and farmer and you gentlemen—and all the white collar people who do the inside work to make these other things operate."

Speaks to Masonic Leaders Mr. Truman spoke at a breakfast for Masonic leaders from all over the country. The breakfast was given at the Statler hotel by an old Kansas City friend, Frank Land, who heads the DeMolays, an organization for young men.

Mr. Truman said he realized that it's difficult for most people to understand what a serious situation the government is in. He sized it up this way: "The most tremendous emergency that any government has ever been faced with in the history of the country."

(Concluded on Page 5, Column 6)

5 Dead from Anti-Freeze Sip

U. S. Tenth Corps Headquarters, Korea, Feb. 21 (AP)—Three soldiers and two seamen died and others were made ill after drinking denatured alcohol while awaiting evacuation from the Hungnam beachhead last December, a U. S. Seventh division spokesman said today.

(Officers of a navy-chartered freighter, the Tainaron, said on arrival in San Francisco they heard perhaps 50 soldiers and crewmen aboard evacuation ships had died from drinking anti-freeze.)

The spokesman said two of the three army victims were infantrymen of the Seventh division and the other was from an ordnance company.

He said the two dead seamen were from the crew of the Tainaron, one of the ships which aided in the withdrawal from the east coast port.

(Capt. J. A. Roy of the Tainaron, however, said in San Francisco that three of his crew died.)

Names of the victims were not released.

Weather Details

Maximum yesterday, 51; minimum today, 34. Total 24-hour precipitation, .01; for month, 5.14; normal, 2.64. Season precipitation, 41.98; normal, 36.25. River height, 4.7 feet. (Report by U. S. weather bureau.)

Crackdown Ordered On Used Car Racket

Washington, Feb. 21 (AP)—The government today banned the sale of new cars at inflated prices in the used car market and set dollars-and-cents ceiling prices on all used cars.

The action was announced by the office of price stabilization (OPS). The new regulations are effective March 2.

Bruce Morris, chief of the agency's automobile pricing division, said the move was designed to halt a "widespread" flow of new cars into the used car market and to prevent used cars from selling above new car prices.

Both practices occurred during the last war. The price schedule of used cars, under the ceiling, will be based on prices listed in guide books employed by used car dealers as a yardstick of values.

OPS listed the five standard books used in this connection and said that they will be recognized as the official source of dollars-and-cents prices for used automobiles.

Morris explained that since automobile prices at the manufacturer's level were frozen on Dec. 18, some dealers across the

First Marines Rotating War Veterans Back

With U.S. Marines, Korea, Feb. 21 (AP)—The First marine division has begun rotating veterans of its bloody Korean battles back to duty in the United States.

Maj. Gen. Oliver P. Smith said 600 already have gone back. After leave, they will help indoctrinate new marine units.

Smith indicated that when replacements are available another 1,200 will be rotated. Most of those selected arrived in Korea with the first marines to enter this war. They fought on the Masan front, in the bloody Naktong river battle, at Inchon and in the Chosin reservoir area.

Controls Sought For Canadians

Ottawa, Feb. 21 (AP)—Prime Minister Louis St. Laurent's liberal government last night asked parliament for sweeping powers to control prices, wages, rents and manpower — to be used if and when they are needed.

With the liberal party holding 100 of commons' 262 seats, passage of the measure appeared certain.

The prime minister submitted a five-clause emergency powers bill saying that the international situation threatens the Dominion's security.

Introducing the measure, St. Laurent said his government did not plan comprehensive controls now in any field. The powers asked, he explained, would be on a "standby" basis, for use only should worsening conditions necessitate them.

He emphasized that the bill—unlike World War II legislation—gives parliament a veto over any cabinet order.

Nor would the proposal give the government censorship powers to control or suppress news, which it had in World War II.

The legislation would remain in effect until May 1, 1952.

The chief criticism from opposition leaders was that the government should act more decisively to halt inflation and rising living costs instead of merely assuming preparedness powers.

Egg Prices Boosted Another Cent Here

Egg prices were boosted another cent here Wednesday in line with advances on the Portland produce market. The change marks the third boost within a week.

New buying quotations are now listed as follows: AA, 48 cents; large, A, 45-50 cents; medium AA, 45 cents; medium A, 41-46 cents; small, 23-32 cents.

In the wholesale list, large sizes generally are 57 cents; mediums, 53 cents.

Butter, butterfat and other produce lists remained unchanged.

Enemy Blocks New Attempt to Cross Han River

Tokyo, Feb. 21 (AP)—Allied forces flattened out the Red's Wonju bulge in central Korea today but in the west the communists blocked two new allied attempts to cross the Han river.

A driving, relentless rain turned the whole Korean battlefield into a mud puddle.

Field dispatches said the rain soaked GIs, bogged down tanks, filled foxholes and deepened the miseries of the front.

A few troops took advantage of the rain for their first showers in a month; those who could took turns ducking into Korean shelters.

But for most, the rain meant a constant soaking. Red mortar fire—"the heaviest and most accurate I've ever seen," said one commander—drove back an armored patrol to the south bank of the Han seven miles east of Seoul.

Five miles downstream from Seoul, heavy resistance checked a South Korean patrol trying to cross the Han.

American and British troops mopped up Red stragglers south of the river.

On the east central front, United Nations troops thrust forward against light opposition. (Concluded on Page 5, Column 5)

Some of Guard Sent Overseas

Washington, Feb. 21 (AP)—The plan of the army to release national guardsmen when their federal service time runs out next year appeared today to leave unchanged the probability that at least two of the presently federalized six guard divisions will be sent overseas in the next few months.

The army also disclosed, in a news conference yesterday by its training chief, Maj. Gen. Maxwell D. Taylor, that it will call no more guard divisions "unless the world situation changes."

This latter statement startled some congress members and brought predictions that the lawmakers would make inquiries. Senator Bridges (R., N.H.), of the senate armed services committee called it a "change in policy" and said he thought the committee would want to look into it.

And Senator Jenner (R., Ind.), said he was confused. If the guard isn't to be used, he asked, why "are they getting set to buy equipment for 10,000,000 men?"

Under existing law, the army has no choice about releasing guardsmen when the tenure of the federal service expires. The draft act, under which the government has called in the guard units, provides the units may be kept in federal service for 21 months. Legislation now pending in congress would extend that time to 24 or 27 months, the time varying with different bills which have been offered.

Tito Assailed By Kerensky

Charlottesville, Va., Feb. 21 (AP)—Alexander Kerensky, president of the provisional Russian government in 1917, declared last night that communism is the enemy of the free world, whether it bears the Tito or Stalin label.

"Tito is without any future," declared Kerensky, who was exiled from Russia almost 35 years ago by the Bolshevik revolution.

"The internal regime of Tito is the same as that of the Soviet Union," Kerensky's sentiments were echoed by two other exiled European statesmen—Grigore Faencu, foreign minister of Romania until the nazis seized control of that country before World War II, and Stanislaw Mikolajczyk, former prime minister of Poland.

The three men voiced their views during a discussion of foreign affairs at the University of Virginia.

All three agreed that it is possible to build a just and lasting peace.