

THE WEATHER

FAIR TONIGHT and Tuesday. Little change in temperature. Low tonight, 44; high Tuesday, 80.

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Snyder Tells of Tax Collecting From Evaders

Treasurer Tells of Making Gamblers and Racketeers Pay Up

By JAMES D. OLSON Approximately \$258 millions were collected from gamblers and racketeers in unpaid income taxes by the internal revenue service during the past year, according to John W. Snyder, secretary of the treasury in Salem Monday.

The secretary, accompanied by Mrs. Snyder, flew to Salem from Los Angeles to participate in two savings bond ceremonies—the presentation of a treasury flag to Salem as the newest defense bond city and the dedication of the replica of the liberty bell which the secretary awarded to Oregon last year.

Commenting on recent publicity, growing out of the Kefauver committee hearings, concerning income tax law enforcement, the secretary declared:

Racketeers Pungle Up

"The Internal Revenue Service has an excellent record of enforcement results against tax evaders of the racketeer and gambler type. And we are going after a still better record.

"The commissioner of internal revenue, recently appointed a Texan, Brig. Gen. John B. Dunlap, to direct the operation of a chain of special racket squads across the country. These squads, under Gen. Dunlap's direction, will intensify our efforts to convince all professional criminals that they must toe the tax line or else pay severe penalties."

Snyder said that Dunlap will visit the northwest to confer with treasury officials as well as state and local law enforcement officers.

Fighting Inflation

The secretary said that the country seems to be giving increasing support to three major steps in combating inflation. These, he said, were application of adequate controls, new federal revenue legislation and public concentration on spending less and saving more.

"The necessary controls include the voluntary program for restraint of credit, now being conducted by the banks and other financial institutions," Snyder said.

In connection with this program, E. C. Sammons, who is chairman of the Oregon committee sponsoring the move, and who joined the Snyder party in Salem, said that the program was "taking hold very well in Oregon."

Vandalism at Diversion Weir

It is costing the city of Salem hundreds of dollars a year to pay for somebody's vandalism at the Shelton ditch weir, City Engineer J. H. Davis said today.

It happens often, and happened again over this week-end. The weir is on state property about three-fourths of a mile southeast of the Oregon State penitentiary. But no one at the prison is blamed for it, except that Davis thinks prison guards might keep a more watchful eye on the spot.

Also, says Davis, "it isn't the work of kids." His conclusion is that someone along Shelton ditch who wants more water in that stream is causing the trouble.

Although the weir is on state property the city is responsible for its maintenance because it is part of the southeast Salem flood control project that was completed a few years ago.

Its purpose is to control the flow of water in Mill creek and in Shelton ditch. Several Salem industries own water rights and have to be supplied accordingly. They include Thomas Kay Woolen mills, Oregon Pulp & Paper company, City Ice works and the city itself.

"I know of no reason for tearing out the timbers to send more water down Shelton ditch," Davis said, "unless they just want to see more water in the ditch. They make it worse by throwing the planks into the stream. They float away and we have to cut new ones."

Weather Details

Maximum yesterday, 77; minimum 46. Total 24-hour precipitation: 0. For month: 2.30; normal, 1.33. Season precipitation, 10.47; normal, 28.55. River height, 1.1 feet. (Report by U.S. Weather Bureau.)

Fair Trade Laws Held Illegal By High Court

State Statutes Do Not Bar Stores From Cutting Prices

Washington, May 21 (AP)—The supreme court ruled today that state "fair trade" laws do not bar stores from cutting prices if the stores refuse to sign pricing agreements.

Justice Douglas delivered the 6-3 decision which attorneys told the high court in advance would have the effect of killing the fair trade laws now in effect in 45 states.

Such laws have been adopted by all states except Vermont, Texas, Missouri and the District of Columbia. They permit the fixing of minimum retail prices by agreements between manufacturers and retailers.

Joining Douglas in the court majority were Chief Justice Vinson and Justices Reed, Jackson, Clark and Minton.

Affects Only Signers

Justice Frankfurter wrote a dissenting opinion, in which he was joined by Justices Burton and Black. Justice Jackson wrote a separate opinion concurring with the majority. Justice Minton joined in this opinion.

Today's case—with far-reaching possibilities—dealt with an attack on Louisiana's "fair trade" law by Schwegmann Brothers, operators of a supermarket in New Orleans. The (Concluded on Page 5, Column 8)

Controls Slash Cattle Receipts

Chicago, May 21 (AP)—Cattle receipts at the nation's stockyards were generally light today as price controls went into effect on live beef animals.

At 12 principal markets, the U. S. department of agriculture estimated that 41,100 cattle were received today. This compared with 77,700 head on deck last Monday, and 68,800 for the date a year ago.

The new cattle price order requires packers to limit average prices of their cattle purchases to a level 10 per cent below the averages for January.

The order was put into effect yesterday, but today is the first day of trading under it.

Cattle merchants said it was too early to say whether the low receipts resulted from arbitrary effects of the price control order. Light receipts today, they said, were expected after last week's rush of finished animals to market.

Heavy receipts last week brought cattle prices down to a point where no sharp effects of the order were expected to appear in the fiscal statistics.

The price rollback on live cattle is only a part of the government's program designed to bring about price reductions of approximately 10 cents a pound for beef in the butcher shops by Oct. 1.

Already in effect are price ceilings on wholesale and retail beef sales and additional rollbacks in prices of both cattle and meat will be made Aug. 1 and Oct. 1.

Daylight Saving Case Thrown Out of Court

The Oregon State Grange suit attacking daylight saving was thrown out of court Monday morning by Circuit Judge George R. Duncan, who ruled that Governor Douglas McKay had power to put Oregon on daylight saving time on April 29. He further ruled that the grange had no capacity to bring the suit, and that the grange complaint didn't state enough facts to constitute a cause of action.

The grange contended that Governor McKay had power to order daylight saving time only if all neighboring states had it, too. It was further claimed that he could order fast time only by showing that the economy of the state would be damaged by remaining on standard time.

"The act in question (the 1949 law) clearly requires the exercise of discretion by the governor before proclaiming a change of time and the only ministerial duty on his part is the issuance of the proclamation varying standard time after he has found that the economy and general welfare of the state are placed at material disad-



Adonis Asks Courts' Mercy

Hackensack, N.J., May 21 (AP) Joe Adonis, labeled one of the nation's seven czars of crime, pleaded no defense today to a series of New Jersey gambling charges, and threw himself on the mercy of the court.

Entering similar pleas were four alleged hirelings of Adonis, who were scheduled to go on trial with him on charges of operating a \$1,000,000 dice dynasty in North Jersey.

Superior Court Judge J. Wallace Leyden said he could see no difference between the no defense pleas and guilty pleas and he announced he would accept them.

John E. Selsern, lawyer for the five men defendants, said the pleas were the result of "tremendous negotiations."

He added that Adonis and another defendant, Salvatore (Solly) Moretti, alleged leaders of the lush gambling operations, "never admitted" that they were principals in the operations of three dice palaces in this North Jersey area.

"Nevertheless," he said, "they are willing to throw themselves upon the court."

Dapper underworld mystery man Adonis, who has never spent a day in jail in his 48 years despite arrests for numerous crimes, faces a possible maximum sentence of 18 years in prison and fines of \$18,000.

All five men pleaded to a charge of gambling conspiracy in the operation of the dice games and to three other indictments charging them with maintaining disorderly houses for gambling.

Russian General Leads Chinese Reds

Taipei, Formosa, May 21 (AP) A nationalist Chinese news agency said today Russian Gen. Mireskov is in virtual command of Chinese communist forces in Korea.

The China Union press said he visited the front and conferred with top Chinese commanders and political commissars.

The agency said Mireskov commanded the troops which took Manchuria from Japan in 1945 and helped the Chinese Reds occupy the country. Mireskov is a translation from the Chinese and the spelling may be incorrect.

Other nationalist reports said the Chinese Reds were sending 45,000 additional troops to Korea.

Defense Bond Flag Presented To Salem

A member of President Truman's cabinet came to Salem today to reward the city for outstanding achievement. John W. Snyder, secretary of the treasury, whose signature you see on your folding money, in person presented the city, through Mayor Al Loucks, with a defense bond flag.

The flag signifies that over 80 per cent of the payroll establishments in Salem, are signed up under the payroll defense bond plan.

The ceremony took place at noon at the last seasonal Monday Luncheon meeting of the Chamber of Commerce, in the Capitol room at the Senator hotel.

"The plan used in Salem," said Secretary Snyder in a brief presentation speech, "is one of the series producing efforts in the defense savings bond plan."

And he spoke of the many interests, financial and industrial, "that recognize that this thrift effort is important in the national economy, for the bonds have been sold on the basis of thrift."

On the importance of savings he said that "some \$200 billion of savings in possession of the American people after World War II was the most important factor in preventing inflation."

"In Salem," he concluded, "you have enlisted 85 per cent of your payrolls in the bond savings plan, so you are entitled to presentation of this flag by the treasury of the United States."

Mayor Loucks was brief in the acceptance. "Speaking for all of the 43,000 people of Salem," he said, "I want to declare that it is a distinct honor to have this flag presented to us, and a very distinct honor to have it presented by the treasurer of the United States."

Meanwhile it was learned that Russian Ambassador Pavlov Yershoff conferred here today with Dr. Walter Eytan, general about the matter. The Soviet Union abstained in the Security Council vote.

Officials said the actual council has not yet arrived here. The official interpretation here to the order is that it is a "direction" to Maj. Gen. William Riley, U. N. chief of staff, to seek an agreement between the Palestine Land Development company, which holds the Arah concession, and certain Arab land owners whose work is affected by the project.

Hurricane Hits North Carolina

Wilmington, N. C., May 21 (AP)—The season's first hurricane moved northward today, leaving in its wake abnormally high tides and dense fog but no physical damage.

The storm passed Cape Hatteras shortly after midnight last night. It was moving in a north-northeasterly direction at about 15 to 16 miles an hour. It was reported about 70 to 80 miles off shore.

An advisory issued by the Raleigh weather bureau late last night said the storm's movement northward had picked up speed and that it made a slow turn to a more north-easterly course.

Strongest winds were estimated at 90 miles an hour over a small area near the center of the storm, with gales extending outward 60 miles in all directions.

Abnormally high tides were expected along the upper North Carolina and Virginia coasts today. Small craft warnings were still up from Block island southward to Cape Hatteras, but were lowered south of Cape Hatteras last night.

Coast Guard stations along the coast said no damage had been reported.

At Wilmington, high tides lashed the beaches yesterday but even then a few hardy bathers ventured into the surf. A dense fog blanketed a long stretch of coast inshore from Cape Hatteras, but there was

1905 Soldiers Land from Korea

San Francisco, May 21 (AP)—The U.S. General Howze, carrying 1905 army officers and men on rotation from Korea, slid under the fog-shrouded Golden Gate bridge and docked at Fort Mason at 7:50 a.m. PDT today.

The group, second to be returned to the United States by way of San Francisco, was met by families and friends of the men aboard.

Six small craft met the ship as it sailed into San Francisco bay. The Fort Mason army band played "California here I come" as the ship pulled alongside the pier.

There were no welcoming speeches but Maj. Gen. James A. Lester, port of embarkation commander, moved among the men as they debarked and talked to them individually.

The enlisted men immediately boarded the ferry boat Yerba Buena for their trip to Camp Stoneman where they will be processed and given furloughs. The officers were to be processed at Fort Mason.

Shattered Reds Withdraw From Half of Korean Front

Bradley Takes Direct Issue With MacArthur

Washington, May 21 (AP)—Gen. Omar N. Bradley testified today the United States would have to "strip" its military power elsewhere to carry out Gen. Douglas MacArthur's Asiatic program.

The chairman of the joint chiefs took direct issue with MacArthur, who previously had told the senate armed services and foreign relations committees his proposals for hitting directly at Red China would not require much additional military strength.

Bradley told the same groups that the joint chiefs had recommended MacArthur's dismissal as Pacific commander because the five-star general was "not in sympathy" with administration plans to contain the war to Korea.

Opposes China Blockade

Bradley said the joint chiefs feared that if it was not confined to Korea "we might find our war enlarged beyond our capacity to carry it out successfully."

MacArthur proposed a blockade of China, bombing of Manchurian supply and troop bases and use of Chinese nationalist troops. Bradley has opposed all these proposals.

(Concluded on Page 5, Column 6)

Israel Defies Request of UN

Tel Aviv, May 21 (AP)—Israel in "determined to bring the drainage of the Huleh swamp to a successful conclusion despite all obstacles," according to a government spokesman.

One of the "obstacles" is a United Nations Security Council resolution, adopted Friday, ordering a temporary halt to the project until Israel and Syria reach agreement on the disputed border area.

Work on the project was resumed yesterday without interference.

Syria contends that the drainage work violates the truce agreement with Israel. The council resolution followed recurrent fighting between Jews and Arabs in the region.

Meanwhile it was learned that Russian Ambassador Pavlov Yershoff conferred here today with Dr. Walter Eytan, general about the matter. The Soviet Union abstained in the Security Council vote.

Officials said the actual council has not yet arrived here. The official interpretation here to the order is that it is a "direction" to Maj. Gen. William Riley, U. N. chief of staff, to seek an agreement between the Palestine Land Development company, which holds the Arah concession, and certain Arab land owners whose work is affected by the project.

Automobile Injures Boy

Dayton — Calvin Smith, 9, Dayton, was slightly injured Sunday when struck by an automobile near the Dayton Buckeroo grounds. He is a son of Mr. and Mrs. Wilbur Smith.

Prison Expert Asked to Survey Penitentiary

Austin MacCormack, nationally-known prison expert, has been invited by the state board of control to make a survey of the Oregon state penitentiary in the near future.

MacCormack is executive director of the Osborne foundation and professor of criminology at the University of California.

He has made surveys of many state and federal prisons, making a notable record when he wrested the New York City prison from gangsters who were running it.

Governor Douglas McKay last week instructed Roy Mills, secretary of the board, to write to MacCormack to ascertain if he is available for the survey and to designate the time he could come to Salem for the survey.

A state senate committee investigated the prison during the recent legislative session and made numerous recommendations, among them a study of the prison operation by a national expert.

Numerous recommendations of the senate committee have been placed in effect by the board but Mills said that the board feels the specific advice is required at this time in connection with ef-

UN Casualties 1618 During 5 Days of Battle

Washington, May 21 (AP)—The defense department said today the United Nations forces in Korea lost 1,618 dead and wounded during five days through May 20 of the Red offensive.

A spokesman said this compared with 58,000 Red troops killed and wounded.

The department said the U. S. casualties were 960, including 134 killed in action and 826 wounded. It said no accurate figures are yet available for the number of missing in action.

The figures for U. S. and U. N. battle casualties are based on a spot check of preliminary reports received from the Eighth army, a spokesman said.

South Korean forces lost 48 killed and 497 wounded. The total of other United Nations troops casualties was listed as 22 killed and 91 wounded.

Iran Rejects British Proposal

Tehran, Iran, May 21 (AP)—Prime Minister Mohammed Mossadegh has rejected a British proposal to arbitrate the explosive dispute over nationalization of the wealthy Anglo-Iranian Oil company.

A government spokesman also told the parliament yesterday that Britain and the United States are pushing Iran closer to Russia and a communist revolution by opposing oil nationalization.

The speaker, National Front Deputy Hossein Makki, raised the threat of a holy war if the British use force to resist the loss of their big investment in the Abadan refinery and the nearby oil wells in southern Iran.

The government's letter to the oil company, while refusing to arbitrate, called on the company to send representatives to plan the method of taking over the southern Iranian installations. It was the first time since Mossadegh's sudden rise to power three weeks ago that he has offered to even talk over the nationalization situation with the British.

The company, declaring expropriation is illegal, had asked the government to appoint its arbitrator under terms of the 1933 concession agreement which provided all disputes be settled by arbitration before Mossadegh.

Replying for Mossadegh, Rinnance Minister Mohammed Ali Varrasteh, declared Iran had the sovereign right to nationalize the industry and rejected arbitration.

Arden Assembly For Europe's Aid

Arden, N. Y., May 21 (AP)—A group of prominent Americans gathered here today under the sponsorship of Columbia university to try to clear a path through the fog of debate over U. S. help for Europe's anti-communist nations.

The gathering—officially labeled as "The American Assembly"—was first proposed by General Eisenhower who is now on leave of absence from his post as president of Columbia.

Eisenhower believed the American people could make up their own minds on national and international issues if those issues were made clear. That is the job of the assembly: to make things clear.

So some 80 men and women will sit down for a thorough review of the great debate that blew up early this year over the question of helping Europe to fight off communism.

Although not on the agenda, the controversy between President Truman and General MacArthur, and more particularly the relative importance of Asia and Europe in the fight against communism, will figure prominently in the week of discussions.

Chinese Losses 60,000 Troops In 5 Days Battle

Tokyo, May 21 (AP)—Reds began withdrawing from half of Korean central front today after losing nearly 60,000 men, by allied estimates, in their five-day-old offensive.

Lt. Gen. Edward M. Almond announced his Tenth corps killed or wounded 48,341 Reds on the east-central front. Sunday's toll alone was 24,700, he said, the biggest one-day total of the war.

Allied officers estimated 10,220 other casualties were inflicted on the west-central front, AP Correspondent George A. McArthur reported.

In this sector, Reds retreated through a driving rain. Front line dispatches Monday night told of communist withdrawals before advancing allies across more than 20 miles of the front.

Abandon Beachheads

Reds were reported abandoning their bridgeheads below the Pukhan and Hongchon rivers, and pulling back toward Chunchon in the center.

Most of the Red casualties were inflicted by the U. S. Second division, which the communists set out to destroy. The Eighth army said the Second division killed or wounded 37,750 Reds in five days.

"We've taken the starch out of the offensive," Almond said. "And I feel certain that if they come at us in even greater numbers we can handle them again." (Concluded on Page 5, Column 6)

GI Units Praised By Ridgway

Washington, May 21 (AP)—Gen. Matthew Ridgway, U. S. Far Eastern commander, today praised "the superior spirit and conduct in battle" of all American units, particularly the army's Second division.

The commendation came in a message to Defense Secretary Marshall and the joint chiefs of staff.

General Ridgway said that the Second division, commanded by Maj. Gen. C. L. Ruffner, had "inflicted losses which conservatively estimated exceeded . . . 20 times its own."

The supreme commander included the First South Korean division in his general commendation.

The second U. S. division bore the brunt of the communist offensive last week.

Ridgway said "The professional competence, the gallantry and the fighting spirit of General Van Fleet's Eighth U. S. Army and its supporting air force and naval forces" are an inspiration to the American people.