

THE WEATHER

SHOWERY. SOME clearing this evening; mostly cloudy, rain tonight, Tuesday morning; showery by afternoon. Little change in temperature. Low tonight, 36; high Tuesday, 48.

Capital Journal

FINAL EDITION

65th Year, No. 40 Entered as second class matter at Salem, Oregon

Salem, Oregon, Monday, February 16, 1953

Price 5c

Senate Passes Amendment to Referendum

First Prolonged Debate of Session to Require More Signatures

By JAMES D. OLSON

In the first prolonged debate in the senate this session, an effort to require a percentage of signatures from three of the four congressional districts in the state to enable placing of the referendum on legislative acts or initiative measures was voted down by a vote of 17 to 10.

The debate centered on a minority report which concurred with the majority report in setting the yardstick of signatures on the total vote for governor in place of the supreme court justice but which opposed the requirement of obtaining signatures in the three congressional districts.

Non-Partisan Line-Ups

The vote was non-partisan with many of the republican senators joining with Senator Richard Neuberger in opposition to the majority report.

"The members of the majority committee are trying to hamstring the initiative and referendum," Senator Robert Holmes declared. "I think that when you require 5 per cent of the legal voters or any other percentage of signatures from any section, you will play right into the hands of special interests."

Cites Referendum History

Senator Gene Brown of Josephine county, who supported the majority report, gave a historical outline of the initiative and referendum in Oregon, telling of the corruption and graft in the legislature during the last two decades of the 19th century which he said led to such men as William S. U'Ren, and former United States Senator Jonathan Bourne to work for direct legislation by the voters.

(Concluded on Page 5, Column 8)

Reprisals on State Witnesses

Washington (AP)—Sen. McCarthy, R-Wis., accused State Department officials Monday of taking reprisals against witnesses in a Senate investigation. One of them flared back that McCarthy was destroying morale in the foreign service.

The angry exchange was between Boykin, acting director of the department's bureau of security. It capped an inquiry by McCarthy's Senate Investigations Subcommittee into how it happened that a State Department security agent was shifted to a new job soon after telling the senators that documents often disappear from the department's secret files.

John E. Matson, who said he was shifted to a "pavement pounding" job, testified he believed the only reason was that his superiors "felt possibly might disclose the truth" about department files.

Mixed Effects Of Decontrol

New York (AP)—Decontrol headaches trouble some industries and leave others untouched. And the same goes for consumers.

Consumers in some areas are paying more for gasoline today. In other areas oilmen are more worried about price weakness and surpluses which may lower fuel oil prices shortly.

The auto industry—seeking more steel and other metals—may still have to wait its turn a while longer. Washington says that all priority tickets for the second quarter must be honored first, whether they were presented to the steel mills yet or not.

And since it takes nearly two months for steel orders to be turned into delivered metal, few steel users will be getting any more than at present before April—and not much more probably before June.

When all cars freed of price controls—expected soon—few price changes are predicted in the industry. Competition will take care of that.

Pgl Adlai—

Weather Details

Maximum yesterday, 47; minimum today, 31. Total 24-hour precipitation: .51. For month: 1.67; normal, 3.04. Season precipitation: 20.41; normal, 26.87. River height: 8.6 feet. (Report by U.S. Weather Bureau.)

House Passes Liquor by Drink Bill 51 to 8

Emergency Clause Makes it Law as Soon As Governor Signs

By PAUL W. HARVEY, JR.

Legislation to give Oregon liquor by the drink was passed 51 to 8 Monday by the house and sent to the senate.

Since the bill contains an emergency clause, it would become law as soon as the governor signs it.

There was little discussion of the measure, which provides for selling of liquor by the glass in restaurants and hotels; private, fraternal and veterans clubs; and on railroads and boats.

At the same time, it allows clubs to keep their systems whereby they can serve members out of their own bottles. This provision was fought by the restaurants and hotels, which wanted an end to this club system.

Local Option Elections

The bill permits any community to vote out liquor by the drink in local option elections.

The people voted last November to amend the constitution so as to permit liquor by the drink, instructing the legislature to set up rules and regulations to accomplish it.

The bill passed Monday was drafted by the house alcohol committee in cooperation with the state liquor commission. The commission will grant the licenses, costing \$100 to \$400, to sell liquor by the glass.

'Excellent Start'

Chairman Russell Hudson, The Dalles, of the house alcohol committee, said "this bill is an excellent start toward giving the people their wish to have liquor by the drink in a conservative and orderly manner. We put the emergency clause on the bill because it is the wish of the people to have it as soon as possible."

Without an emergency clause, a bill doesn't become a law until 90 days after adjournment of the legislature.

The only voice raised against the bill during the debate was by Rep. Joseph E. Harvey, Portland, staunch prohibitionist, who said "I've never yet voted for booze, and I'm too old to start now."

(Concluded on Page 5, Column 4)

Atomic Spies to Die in March

New York (AP)—Execution of atomic spies Julius and Ethel Rosenberg was set Monday for the week of March 9.

Federal Judge Irving R. Kaufman scheduled the new execution date for the husband and wife, whose appeal to the President for clemency has been rejected.

The couple was convicted nearly two years ago of conspiring to transmit atomic information to Russia. They have been in Sing Sing prison's death house ever since.

U. S. Marshal William Carroll said the date of the electrocution may be March 12, and the hours 8 p.m. (PST).

Rosenberg, 34, and his wife, 36, originally had been scheduled to die in the electric chair there January 14.

But the judge postponed the execution to permit time for the President to act on their clemency appeal.

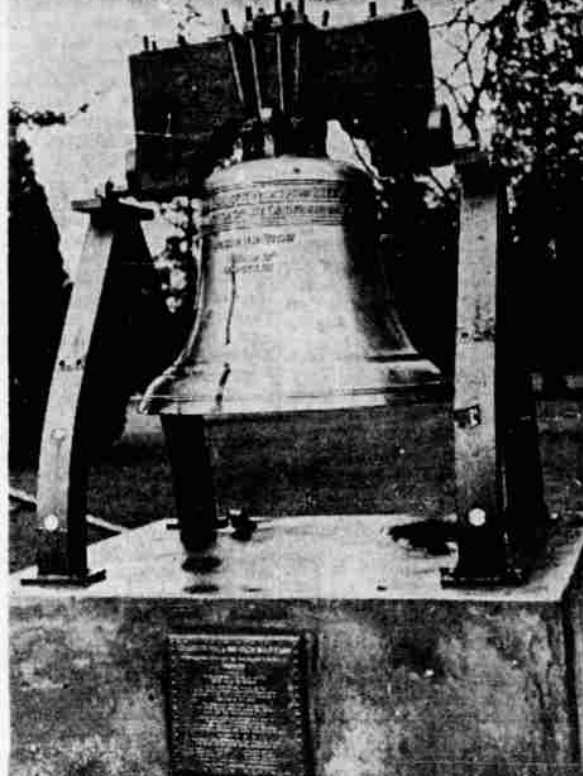
President Eisenhower last week turned them down.

Prices of Gasoline And Fuel Oil Go Up

Both gasoline and fuel oil prices have gone up in Salem. With increased gasoline prices becoming effective today automobile owners probably will pay 31.2 cents a gallon for regular fuel and 33.7 for premium.

This is on the assumption of most companies operating here that the increase will be 3 cents. However, Standard of California, whose lead is being followed by most other concerns, indicated the increase might be from 2 to 2 1/2 cents. The individual Standard retailer may set his own price, it was said.

The wholesale price has gone up about 1 1/2 cents, bringing the wholesale price to an average of about 25.2 cents for regular and 27.2 for premium. The retail price paid by the



New Capitol Lawn Monument—Replica of the Liberty Bell, dedicated to "You, a Free Citizen in a Free Land," recently placed on a granite base at the west approach to the capitol. This bronze bell, one of 50 cast in France and donated by a number of the nation's leading corporations, was presented to this state under the direction of John W. Snyder, secretary of the treasury.

All 46 on Crashed Airliner Die in Gulf

New Orleans (AP)—A fourth liferaft from the National Airlines DC-6 plane that plunged into the storm-tossed Gulf of Mexico with 46 persons aboard was found empty Monday, "apparently ending all hope for survivors."

Three other life rafts—all empty—were found bobbing on the choppy waters Sunday by an armada of planes and ships that combed the waters and recovered 17 mangled bodies.

The Coast Guard said the fourth raft was recovered "accounting for all of the rafts and apparently ending all hope for survivors." The raft had never been inflated.

The Coast Guard said even if survivors had managed to get on the rafts that the rough waters would have probably washed them overboard.

The ill-fated four-engined plane, flying in 100-mile-per-hour winds, was en route from Tampa, Fla., to New Orleans when it crashed last Saturday afternoon less than five minutes from possible safety.

Alaska Crater In Full Eruption

Kodiak, Alaska (AP)—One of Alaska's slumbering volcanoes awoke with a roar Sunday in an eruption that sent a column of smoke nearly six miles into the air.

Ash and smoke filtered into nearby valleys, reminding older residents here of the eruption of fabled Mount Katmai in 1912. But whether the volcano was Katmai or one of two other long-threatening peaks in the Valley of 10,000 Smokes was not determined immediately.

Nor was there immediate word of whether villages in the thinly-settled area might be threatened.

Military fliers first reported the eruption. They said it was on 7,500-foot Mount Katmai. Observers who flew to the vicinity of the smoking mountain later said it would be Mount Trident or Mount Mageik.

The West Berlin Telegraph quoted informed circles Sunday as "assuming" that he had fled to West Berlin to escape possible arrest in the spreading communist purge.

Gerhart Eisler Missing in Berlin

Berlin (AP)—There was still no trace of Gerhart Eisler in West Berlin Monday.

Allied and German officials as well as the Jewish community here said the deposed Soviet Zone propaganda chief has not turned up anywhere in the West, as far as they know.

The West Berlin Telegraph quoted informed circles Sunday as "assuming" that he had fled to West Berlin to escape possible arrest in the spreading communist purge.

Troopship Saves 119 on Liner

Naples, Italy (AP)—The American troopship Gen. H. C. Muir, loaded with United Nations soldiers coming home from the Korean war, rescued all 119 passengers and crew members today from the sinking Italian liner, Tripolitania, radio reports said.

The liner reported it took aboard 62 passengers and 57 crew men from the Italian ship before it was abandoned in mounting Mediterranean seas.

The liner's operators here said the ship developed a leak Sunday 230 miles southeast off Sicily and radiated for help. The 17,000-ton Muir, operated by the U.S. Military Transport Service had intercepted the Tripolitania's SOS.

House Group Rejects Funds For Defense

Asks Use of Unspent Money for Army, Navy and Airforce

Washington (AP)—A Defense Department request for \$1,200,000,000 in new funds for the current year was rejected in full by the House Appropriation Committee Monday.

The committee said the Department should use available funds to finance the programs for which the new money had been requested.

Most of the new money sought was for Army, Navy and Air Force military pay, increases in which were voted by Congress since the last defense department budget was approved.

The request for additional funds came from former President Truman before he left office last month. In some cases, President Eisenhower revised the requests, but in others he made no changes.

The defense fund requests were considered along with recommendations for additional money for numerous other agencies. The committee action cleared for floor debate Tuesday the first appropriation bill of the 83rd congress.

In all, congress was asked to approve \$2,313,719,590 in supplementary appropriations for the current fiscal year.

(Continued on Page 5, Column 6)

Winter Again Routs Spring

The worst storms in years brought an abrupt end to balmy weather across the nation's mid-section Monday, whipping up dust and snow blizzards in the Midwest and Southwest.

Sub zero temperatures were common in the Northern plains and Upper Mississippi Valley. Winds up to 80 miles an hour carried dust more than 12,000 feet into the skies above Western Kansas.

Hill City, Kan., provided a graphic example of the sharp downturn in temperatures. It's Sunday high of 66 degrees contrasted with a morning record of 17 Monday.

While wind-blown dust and snow plagued Nebraska, Kansas, Colorado and Oklahoma, three inches of snow fell in Chicago and zero forecasts for Monday night.

Wind and Rain In New Storm

Heavy showers of rain and strong wind were back for valley regions, Monday, the new storm moving in over the weekend.

Winds were up to 35 miles an hour velocity in peak gusts in Salem Monday morning. At noon Sunday the velocity was up to 45 miles in peak gusts.

Better than three-quarters of an inch of rain came down in the 48-hour period ending at 10:30 a.m. Monday, .79 of an inch being measured, .51 of an inch of that amount being in the 24-hour period.

Forecast is for more showers tonight and Tuesday.

Motorists are warned to carry chains on routes through the mountains, new snow falling over the week-end.

Storm warnings were ordered hoisted again Monday morning all along the north Pacific coast from Tatonah, Wash. to Cape Blanco, Ore.

Senator Gore Raps Report

Washington (AP)—Sen. Gore (D, Tenn.) said Monday that a report by two of his colleagues criticizing what it called extravagance in the U. S. overseas military base program "challenges our concept of retaliatory readiness, and with this I strongly disagree."

If the U. S. should waste strategic outposts, Gore said in an interview, Russia might regard that action as an invitation to move in.

The idea of the multi-billion dollar overseas air base program is to ring Soviet Russia so as to enable the U. S. to hit back with devastating atomic blows if the enemy launched an attack.

U.S. Air Force Planes Fire on 2 Soviet Fighters Who Flee From Japan

Tokyo (AP)—U. S. Air Force Thunderjets fired on two Russian-made fighter planes over northern Japan today, damaged one and sent both invaders fleeing back toward Soviet-held territory.

The Air Force presumed the planes were units of the Russian Air Force. They came from Russian territory and fled toward it. But lacking positive proof, Far Eastern Air Force Commander Gen. O. P. Weyland said, he could not identify them officially as Russian.

Two Thunderjets on patrol were guided to the two unidentified planes over Japan's northernmost Hokkaido island by radar.

The Japanese government had warned the Russians Jan. 13 that henceforth the U. S. Air Force, in its behalf, would fire on any invading Soviet planes.

The Thunderjets intercepted and closed in on the two invading planes, Russian-made Lavochkin 11 single-engine propeller-driven fighters in the 400 mile an hour plus class.

Pursuant to standing instructions, our interceptor planes signalled the intruders to land, "an Air Force communique said. "The landing signal was ignored by the LA-11 fighters.

"Our leader then opened fire, scoring hits on the fuselage and wings of one of the intruders."

The foreign planes turned and fled northeastward toward the Russian-held Kurile Islands. The Thunderjets broke off the engagement to avoid flying into Russian territory.

Sabrejets Hit 11 Red Mig 15s

Seoul (AP)—U. S. Sabre jets Monday shot down three Russian-built MIGs, probably destroyed another and damaged seven while screening a massive air raid on a big communist troop and supply buildup area.

The U. S. Fifth Air Force reported the communist jet fighter losses after announcing earlier that 200 Allied fighter-bombers had turned the supply area southwest of Pyongyang into a boiling mass of smoke and flames.

It was the second straight day of jet dog fights in far North-west Korea.

Washington (AP)—The house ways and means committee approved a bill Monday to cut personal income taxes 10 per cent. But the chairwoman of the rules committee said the legislation will be pigeon-holed until at least May 1.

Acting in opposition to President Eisenhower's go slow advice on tax cuts, the ways and means committee approved, 21 to 4 a measure by Chairman Reed (R., N.Y.) which would reduce income tax payments for 50 million Americans at mid-year 1953.

Under present law, a 10 per cent tax cut is scheduled for Jan. 1, 1954.

Chairman Allen (R., Ill.) of the house rules committee said shortly after the ways and means action that his group "will hold all tax reduction legislation until at least May 1."

Reed is expected to seek an order from the rules committee barring amendments to his bill from the house floor. That would give the rules committee the power to delay floor action.

Financial Crisis In South Korea

Seoul, Korea (AP)—A financial and economic paralysis gripped South Korea today as the government prepared to issue new currency in a move to stem inflation.

Eighty percent of Seoul's merchants closed their shops and prices skyrocketed 400 percent on some items. Police began rounding up food merchants to force them to reopen.

In Pusan, police patrolled the streets with rifles. Most of the residents stood around on street corners or sat in tea shops discussing the currency measure.

Two-thirds of Pusan's buses were idle. Work in government offices came to a standstill.

The panic was prompted by a government announcement that it would begin calling in the old currency, the won, tomorrow. Officially worth 6,000 to one U. S. dollar, it has been selling on the black market at 20,000 to \$1.

Truman's Order Did Not Create Oil Reserve

Washington (AP)—Attorney General Brownell held Monday that an order issued by President Truman in January did not convert offshore submerged lands into a naval reserve.

Brownell's opinion, set forth in a letter, was read by Senator Cordon, R-Ore., as the Senate Interior Committee opened hearings on legislation dealing with ownership of the controversial oil-rich area.

Brownell said former Attorney General McGranery had approved the Truman order "on the understanding that it did not intend to nor did it in fact or in law create a naval petroleum reserve within the meaning of the statute."

Ike Wants to Create Cabinet Security Post

Leaders Also Drafting Yalta Repudiation Resolution

Washington (AP)—Sen. Taft (R., Ohio) said Monday President Eisenhower wants to make a cabinet-rank government department out of the Federal Security Administration and has set machinery in motion to create such a department.

Taft, the senate republican floor leader, gave this word to reporters after a 40-minute meeting of congressional leaders with the president.

He said much of the session was spent in discussion on the question of repudiating certain "secret agreements" made by Presidents Roosevelt and Truman.

Some progress was made toward drafting a repudiation resolution such as Eisenhower has called for, Taft added.

Yalta Repudiation In his State of the Union address, Eisenhower said he would shortly ask congress to repudiate any secret agreements of the past which involved the enslavement of free peoples anywhere.

Taft said the proposed resolution will be introduced in congress "within a reasonable time."

"I would think it would go through," Taft said.

Taft and House Speaker Martin (R., Mass.) met with newsmen in the office of White House Press Secretary James C. Hagerty immediately after they and other GOP leaders had held their regular Monday morning strategy conference with the president.

Shyness Disappears This was a departure from past sessions, when the congressional leaders have been reluctant to talk.

(Continued on Page 5, Column 6)

Adlai and Ike Lunch Together

Washington, (AP)—Adlai E. Stevenson today accepted President Eisenhower's invitation to join him tomorrow at a lunch for a group of Republican and Democratic House members.

White House Press Secretary James C. Hagerty said that Stevenson, defeated by Mr. Eisenhower for the presidency, will confer with the President in his office tomorrow.

Then Stevenson will join the Chief Executive at another in a series of congressional lunches which Mr. Eisenhower has been holding for two weeks.

This morning, Sherman Adams, assistant to the President, renewed the "tentative" invitation extended Stevenson before his New York speech Saturday night, and the former governor of Illinois accepted.

Editor Planner For Cold War

Washington (AP)—President Eisenhower named C. D. Jackson, 50-year-old New York publisher Monday, as his special assistant in charge of cold war planning.

The appointment was announced by Sherman Adams, chief assistant to the President.

He said Jackson would serve as a liaison official between the various government departments and agencies active in psychological warfare strategy.

Jackson has been given leave from his position as publisher of Fortune Magazine. Ralph Delahaye Paine Jr., managing editor of the publication since 1941, was named Sunday night to succeed him in that post.

Jackson was deputy chief of psychological warfare under Eisenhower when the president was commander in charge of the North African campaign in World War II.

King Selected as Hawaii Governor

Washington (AP)—Samuel W. King of Hawaii will be nominated by President Eisenhower to be the new governor of Hawaii, the White House announced today.

King, former territorial delegate to the Congress, had the backing of Sen. Robert A. Taft, Senate Republican leader.

King will succeed the present Democratic governor, Warren D. Long.