

THE WEATHER

MOSTLY CLOUDY with scattered showers last night, Thursday. Little change in temperature. Low tonight 54; high Thursday, 58.

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Balancing of State Budget Eludes Group

Only \$11.6 Millions To Finance \$26 Million Bills

By JAMES D. OLSON The ways and means committee Wednesday found that it has but \$11,614,296 to finance additional requests of about \$26,000,000, including appropriation bills in the committee and the building programs of the state board of control of higher education.

This condition was revealed in the first financial report prepared for the committee, with the explanation by Carl Cover, chief clerk of the committee, that future developments may alter the present financial picture.

Increases Approved The statement shows that the committee and subcommittees have approved \$311,619 in budget increases, including salaries of appointed officials, six elective state officials, supreme court justices and circuit judges, and state police plus an appropriation to check seepage in the capitol basement.

Decreases in bill signed by subcommittees total \$1,444,491, but this includes \$1,000,000 by elimination of one merit raise in the biennium for state employees. Some members of the committee questioned this item on the grounds that only one such raise was granted during the present biennium.

Income Tax Revenues Estimated revenues from personal and corporate income taxes are listed as \$116,000,000. (Concluded on Page 5, Column 6)

Bill Calls for Motor Pool

Introduction of two bills providing for establishment of a motor pool and construction of a building just east of the state's heating plant on South 12th street was authorized by the joint ways and means committee Wednesday.

The establishment for the motor pool for all state cars operated out of Salem was recommended by Governor Paul Patterson in his message to the legislature.

Harry Dorman, director of the department of finance and administration told the committee that there was great need for the pool as well as for the proposed building which is planned as a three-story structure. The building he said, would be used for storage on the first floor, the second floor would be occupied by the purchasing division of his department and the third floor by one of the divisions of the secretary of state. Cost of the building was given as \$337,000.

The bill setting up the auto pool would permit a revolving fund with which to purchase automobiles operated by state departments and operating funds would be obtained through charges made to departments drawing motor vehicles from the pool.

Truckers Get Hike in Rates

Oregon motor truckers won permission Wednesday to increase their freight rates 5.66 per cent on shipments within the state.

Public Utilities Commissioner Charles H. Heltzel authorized the increase, but refused to give the truckers the 9 per cent increase they asked.

A year ago, the truckers were allowed to boost their rates 6 per cent.

The 5.66 per cent increase is an average for all commodities.

Heltzel said that rates on these shipments couldn't be increased: Livestock shipments of more than 5,000 pounds, fresh fruits and vegetables in truckload lots, petroleum products carried in tank trucks, drayage service inside cities, household goods, and on shipments between Portland and Wheeler, Grant, Harney and Malheur counties.

The increase in rates on transportation of cement and similar products was limited to 3 per cent.

Weather Details

Maximum yesterday, 58; minimum today, 50. Total 24-hour precipitation: 0.1 for month; 31.1 for season. 24-hour precipitation: 0.1 for month; 31.1 for season. 24-hour precipitation: 0.1 for month; 31.1 for season. 24-hour precipitation: 0.1 for month; 31.1 for season.

Civil Rights Endorsed by Senate Group

Criminal Penalty For Violation Removed by Group

By PAUL W. HARVEY, JR. The Oregon legislature's civil rights bill was endorsed Wednesday by the senate judiciary committee, with two of its members making strong protests.

The bill, which prohibits hotels, restaurants, motor courts, taverns and amusement places from discriminating against anybody because of his race or religion, was introduced by 19 of the 30 senators, and 27 of the 60 representatives.

The committee removed the criminal penalty from the bill, under which violation would bring a maximum penalty of a year in jail and \$500 fine.

Fines Only Penalty As the bill now stands, any body discriminated against could sue for up to \$500 damages.

Sens. Warren Gill, Lebanon, and Gene L. Brown, Grants Pass, were the two committee members who want the bill defeated. Brown also was a co-sponsor of the bill, but now he's changed his mind about it.

Brown and Gill said they would like the measure referred to the people, and both said anybody has a constitutional right to discriminate.

(Continued on Page 5, Column 7)

Oppose Hike in Jobless Pay

Employer representatives at the legislature Wednesday challenged a statement attributed in the newspapers to Rep. Gust Anderson, chairman of the house labor and industries committee, to the effect that certain proposed increases in workmen's compensation benefits could be enacted without an increase in employer contributions.

"We and our principals are absolutely opposed to the idea that it is right to deplete the reserves in this fund just because the money is there," Robert McKean, who heads the employers' group, said.

"It is our opinion present benefits under the act are adequate to the purposes of the law," McKean said. Oregon benefits rank approximately third highest in the nation according to figures supplied by the state industrial accident commission. These benefits have been increased each session of the legislature for the last 12 years. There is nothing in the economic situation in this area today that calls for an increase over the levels established in 1951.

Sunshine and Blue Skies Follow Frost

Keeping true to March's freaky conditions, the weather brought considerable sunshine and blue skies for Salem and area Wednesday morning, despite forecasts. Changes come rapidly this time of year, however; anyway, no one was displeased to see sunshine instead of cloudiness and rain.

Forecast for tonight and Thursday calls for mostly cloudiness and some scattered showers.

Court Rules Aerial Spraying Law Invalid

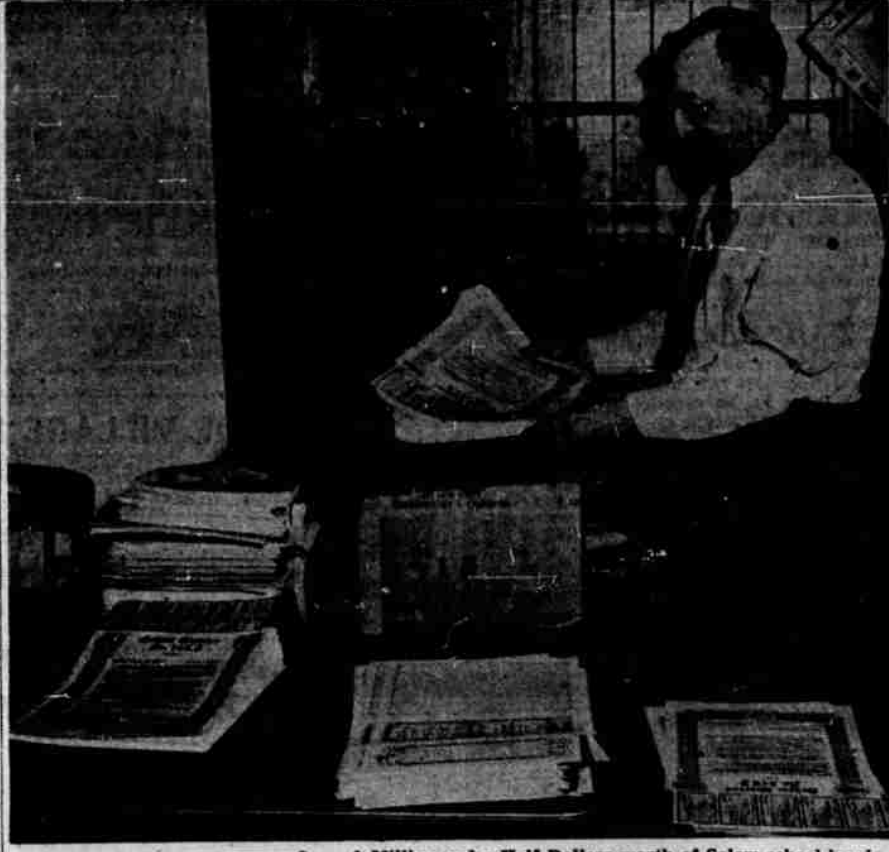
The 1951 state law regulating aerial spraying of farm crops and forest lands was ruled unconstitutional Wednesday by the Oregon Supreme Court.

The high court, with Chief Justice Earl C. Latourette writing the opinion, said the law gives too much power to the Department of Agriculture and State Board of Aeronautics. These departments license the aerial sprayers.

The suit was brought by Leo J. Demers, Salem, who operates 50 airplanes in the spraying business.

"Under a blanket authority the rule-making bodies of their directors could conjure up from their fancies or imagination any regulation which might come to mind. For a violation thereof, the licensee could be fined, imprisoned and have his license revoked," Chief Justice Latourette wrote.

He added that the 1951 law gives the Department of Agriculture and Board of Aeronautics "uncontrolled and un-



A Million and a Half Dollars worth of Salem school bonds being readied by County Treasurer S. J. Butler prior to their being turned over to the purchaser. The money, plus a couple million more, will be used in the construction of the new South Salem high school.

Rap of Russia Unacceptable

Washington (AP)—The Senate Democratic Policy Committee tabbed "unacceptable" Wednesday the Republican-revised resolution condemning Russia for "enslaving" other peoples.

The Democratic group expressed belief that it is also unacceptable to the State Department.

The policy committee's action foreshadowed a bitter debate when the resolution comes up for Senate consideration.

The Republican Policy Committee already has given formal endorsement to the amendment the Senate Foreign Relations Committee made to the Eisenhower administration's resolution.

By a vote of 8 to 6, the foreign Relations Committee Tuesday wrote into the resolution a declaration that its adoption would "not constitute any determination by the Congress as to the validity or invalidity" of any war-time agreements made at Yalta, Potsdam or other Big Three meetings.

Contracts for Highways Let

The following contracts were awarded Tuesday by the State Highway Commission:

Douglas County—Grading 6.86 miles of the Divide-Rice Hill section of the Pacific Highway east of Yoncalla. Awarded to R. A. Hentz Construction Co., Portland, for \$497,028.

Curry County—Grading 2.91 miles of the Rocky Point-Gold Beach section of the Coast Highway 10 miles south of Port Orford. Awarded to Fred H. Slate Co. and E. C. Hall Co., Portland, for \$648,682.

Douglas County—Construct two concrete viaducts on Elkhead Road-Hill unit of Pacific Highway east of Yoncalla. Awarded to Hannan Bros., Portland, for \$71,910.

Sam Butler Describes Processing Bonds Job

By FRED ZIMMERMAN

When a school district or any other political sub-division decides to borrow a million and a half dollars, there is a lot more involved than merely calling for bids and then having the bonds and coupons printed.

This was revealed during a conversation with S. J. Butler, county treasurer, who was found in his office Wednesday morning placing 1500 bonds, each with a face value of \$1000, and bearing the necessary coupons into a cardboard carton which had first been used for the packing of cans of pineapple.

They were printed by a Portland concern and turned over to the school authorities for the signatures of Gardner Knapp, chairman of the board, and C. C. Ward, clerk. These officials had signed the bonds personally before they were turned over to Butler. Ward estimates he spent four hours in signing the documents. Knapp, with a name a trifle longer, spent more time at the task.

(Concluded on Page 5, Column 5)

Trailer Blast Injures Women

Eugene (AP)—A gas explosion knocked out the sides of a new trailer house and put two Clarkston, Wash., women evangelists in a hospital here Tuesday night with severe burns.

The women, Phyllis Elvey, 35, and Elvina Sawley, 29, had bought the trailer house earlier in the day. Returning from a church meeting at Springfield, one of them struck a match to light a bottled-gas lamp and there was an immediate blast.

The sides of the trailer were blown out and the roof was bulged. Fire followed.

The Rev. Edward R. Benedict of Eugene, pastor of the United Pentecostal Church at Springfield, tried to put out the fire and suffered hand burns.

The two women were burned on face and arms. Miss Sawley's condition Wednesday morning was reported to be fair and that of Miss Elvey good.

Liner Lurline to Sail to Hawaii

San Francisco (AP)—The luxury liner Lurline was scheduled to sail for Hawaii at 4 p. m., Wednesday, despite demands by AFL deck officers and CIO radiomen for a 9.5 percent wage increase.

A no-sign-on walkout by the AFL Masters, Mates and Pilots union had idled seven ships. The CIO American Radio association threatens similar action. Both unions seek wages equal to East and Gulf Coast standards.

Tuesday night, however, Superior Judge Preston Devine declined to issue a temporary restraining order, requested by the Pacific Maritime Association, to prevent the radiomen from tying up the Lurline.

Davine said Daniel Fogel, union attorney, had called W. R. Steinberg, radio union president, and that Steinberg had promised to urge operators to report aboard the Lurline.

WEINBERG CASE WITH JURY

Washington (AP)—The Joseph W. Weinberg perjury case went to a U.S. District Court jury at 2:32 p. m., (EST) Wednesday.

Van Fleet Says Victory Only Out in Korea

Allies Can Win Without Enlarging War Into Greater Conflict

Washington (AP)—Gen. James A. Van Fleet declared Wednesday the United Nations forces can win a military victory in Korea without enlarging that war into a greater conflict.

And, he said, he knows of no other way to break the deadlock over the prisoner-of-war issue—the great snag of armistice talks.

With the four-star general in the witness chair of the House Armed Services Committee, Rep. Patterson (R., Conn.) asked: "Is there any solution to the problem of interchange of prisoners?"

Victory the Answer Van Fleet replied in one word: "Victory."

Patterson: "Other than that, there's nothing else?" Van Fleet: "That's all." (Concluded on Page 5, Column 3)

Ike Expresses His Sympathy

Washington (AP)—President Eisenhower expressed his sympathy to the Russian people Wednesday in commenting on the serious illness of Premier Stalin.

The president voiced hope in a statement that God will watch over the Soviet peoples "regardless of the identity of government personalities."

The text of the statement: "At this moment in history when multitudes of Russians are anxiously concerned because of the illness of the Soviet ruler the thoughts of America go out to all the people of the USSR—the men and women, the boys and girls—in the villages, cities, farms and factories of their homeland.

"They are the children of the same God who is the Father of all people everywhere. And like all peoples, Russia's millions share our longing for a friendly and peaceful world."

McCarthy Not to Subpoena Files

Washington (AP)—Sen. McCarthy (R., Wis.) said Wednesday he has a pledge of cooperation from the State Department which may make it unnecessary to subpoena loyalty files of two department employes.

Earlier, McCarthy had demanded the official reports, plus "the supporting documents" in the cases of Theodore Kagan and Edmund Schechter, who worked for the department's Voice of America propaganda broadcasts.

McCarthy told his senate investigations subcommittee the word on cooperation came from R. W. Scott McLeod, the State Department's new security chief "in whom I have the utmost confidence."

He announced the subcommittee will await McLeod's promised study of files not immediately available to him before deciding on any next step in the move, which developed from his investigation of the Voice activities.

Oshima, director of Japan's Forest Resources Council, said in an interview his mission found "wonderful possibilities."

He said if the program was put through, it would fit in with the U. S. development program in Alaska under which pulp mills would help supply the world with much-needed newsprint and paper.

The U. S. government realizes this and agrees in principle, Oshima said.

Seek to Outlaw National Strikes

Washington (AP)—The National Association of Manufacturers today asked congress to outlaw industry-wide strikes and outlaw all forms of "compulsory unionism" such as the union shop.

The NAM claims to represent 85 per cent of the nation's manufacturing capacity and to have more than 9,000 members. In a statement prepared for the house labor committee, George W. Armstrong, Jr., chairman of the association's industrial relations committee, said:

"Aside from compulsory unionism, the greatest source of monopoly powers lies in industry-wide bargaining."

ROK Regains Top of Hill in Bloody Battle

Seoul (AP)—Valiant South Korean infantrymen regained the top of a bloody outpost hill position on the Central Korean front Wednesday in a thunderous climax to 23 hours of savage close-quarter fighting with an estimated 800 Chinese Reds.

The Republic of Korean troops had pulled back from the outpost at midday and let Allied warplanes turn the hill into a smoking mass of bomb craters and debris.

In late afternoon the ROKs counterattacked and forced their way back to the top of the unnamed hill southeast of Kumsong.

The Eighth Army briefing officer said the South Koreans counted 30 Chinese dead on the battlefield when the fighting ended just before dark.

Another 90 Reds were estimated killed and 60 wounded. That would be a casualty toll of 150—more than one-third of the attack force.

Clark on Tour Of Battle Front

Seoul, Korea (AP)—Gen. Mark Clark, UN Far East commander, flew to Korea today to make a four-day "routine" inspection of United Nations installation.

Gen. Maxwell D. Taylor, Eighth army commander, and Lt. Gen. Glenn O. Barcus, Fifth Air Force commander, were on hand to greet Clark when his plane arrived from Tokyo.

Clark said he planned to confer today with South Korean President Syngman Rhee on "many subjects."

During his tour, which ends Saturday, Clark will visit all UN units at the front and tour rear areas.

Subjects on which Clark will confer with Rhee include the dispute between Japan and Korea on fishing rights of Japanese fishermen.

Truman Sorry For Joe Stalin

Kansas City (AP)—Former President Harry S. Truman said today he was "in no position" to comment on the effect of the illness of Russian Premier Josef Stalin.

Mr. Truman in his office in the Federal Reserve Bank building, told a newswoman: "Of course I'm sorry to hear of his trouble. I'm never happy over anybody's physical breakdown."

The reporter asked Mr. Truman if he would assess the effect of Stalin's decline from power.

"I'm in no position to assess the effect because I have not been in touch with the foreign situation since January 20," Mr. Truman said.

France to Let U. S. Lay Jet Fuel Pipe

Paris (AP)—After 18 months of squabbling, the French are about ready to let the United States lay a jet fuel pipeline across France.

High ranking French officials said the pact would be sealed within two or three weeks. The pipeline would carry fuel for the jet fighters and bombers of the U. S. Air Force stationed in France and West Germany.

World Reaction to Stalin's Serious Illness

Reaction around the world to the announcement of Joseph Stalin's serious illness:

Washington—Specialists in Russian affairs say anything can happen when Stalin dies, but Georgi M. Malenkov is considered to have inside track for his job. Officials not optimistic that Stalin's death would bring any great change in Russian policy.

London—Prime Minister Churchill, who may survive as last of the wartime "big three," offers sympathy to Russians. British recall past fears of rash action, in the event of a struggle over Stalin's job.

Bonn, Germany—Chancellor Adenauer says Stalin's death would not let the world relax, and "should only strengthen us to pursue the course of which we have embarked."

Belgrade—Semi-official press agency sees implication in Moscow announcement that Stalin

No New Report On Condition Of Joe Stalin

Russian Premier Suffered Paralyzing Brain Stroke Sunday Night

Moscow (AP)—The disclosure of Prime Minister Stalin's grave illness kept thousands of Russians near their radios Wednesday night, waiting for further medical bulletins.

The original bulletin, covering the situation up to 2 a. m., Wednesday, is 17 hours old as this dispatch is written. Further bulletins have been promised, but there is no indication when they will come.

Radio stations are continuing to repeat the original communication. This said Stalin was stricken Sunday night with a brain stroke and that his brain condition later grew worse.

Council Governing Russia Between readings of this communique, the stations are broadcasting slow and somber instrumental and choral music.

The council of ministers and the Central Committee of the Communist party announced themselves as guiding the government and party, respectively. However, there is as yet no indication how leadership of the government will be affected. (Concluded on Page 5, Column 4)

Malakov in Lead for Power

Washington (AP)—The name of Georgi M. Malenkov led all the rest in Washington speculation on a possible successor to the gravely ill Joseph Stalin, but Russian specialists said anything could happen in the event of the Premier's early death.

So much secrecy surrounds events in Moscow and obscures the small group of Kremlin personalities which circles those that persons outside have no very adequate means for predicting what may happen.

Malenkov, like V. M. Molotov a deputy premier, seems to outside observers to have strengthened his position as chief claimant to Stalin's mantle greatly in recent years. He took a particularly prominent role in last fall's Russian Communist Party Congress. He is a close associate of Stalin.

Informed persons here do not rule out, by any means, the prospect that there may be a bitter struggle for leadership among the men in the Kremlin.

Stalin Likely to Die Any Minute

New York (AP)—Dr. Arthur I. Snyder, ranking medical man on duty at Columbia-Presbyterian Medical Center early today, said Premier Stalin "could die any minute," on the basis of Moscow's report of his condition.

After a newsmen read Snyder's Moscow bulletin on Stalin's condition, Snyder said the Russian leader apparently is "critically ill" and in "extremely serious condition." Snyder added:

"The ultimate prognosis forecast or prediction depends on the progress that he makes in the first few days, possibly the first week."

The doctor said Stalin appeared to have suffered a "fairly large cerebral vascular accident due to hemorrhage." The reference was to blood vessels in the head.

War Casualties Total 130,732

Washington (AP)—Announced U. S. battle casualties in Korea reached 130,732 Wednesday, an increase of 411 since last week. This is the largest weekly increase since Nov. 19, 1952, when the toll was listed as 839.

The Defense Department's weekly summary based on notifications to families through last Friday reported:

Killed in action, 20,653; wounded, 97,057; missing, 13,022; Total, 130,732.

Breakdown of the casualties by services: Army 102,007; Navy, 1,844; Air Force, 1,424; Marine Corps, 28,457.