

**THE WEATHER**  
PARTLY CLOUDY tonight, Friday. Few showers. Little change in temperature. Low tonight, 36; high Friday, 55.

## \$60,000 Cut Off Budget for Boys' School

### Ways-Means Hopes For Intermediate Institution

By JAMES D. OLSON  
Members of the joint ways and means committee Thursday slashed the requested budget item of \$250,000 for an addition to the segregation unit at MacLaren School for Boys \$60,000 in the hope that the legislature will approve an appropriation for an intermediate institution for young offenders.

Necessity for establishing an intermediate institution was stressed by Sen. Robert Holmes of Astoria, who said there are boys at the Woodburn school too old to mingle with younger boys and boys in the penitentiary too young to be housed with older inmates.

**Over-All Budget OK'd**  
The over-all budget for the school was approved in the amount of \$1,531,040 as compared to approximately \$1,000,000 for the present biennium.

Holmes said increase in admissions at the school due to growing population of the state plus the unruly type of boys admitted to the school was responsible for the increased budget.

Senator Dean Walker, co-chairman of the committee, suggested that the state might save money if the intermediate institution was located on the site of MacLaren school, but this idea was opposed by Holmes as well as some other members of the committee.

**Blames Legislature**  
Blame for increasing child delinquency was placed on the state legislature by Sen. Rex Ellis, who declared that every bill passed dealing with boys and girls "tends to relieve them of more and more responsibilities."

"It's about time we encouraged boys and girls to do some work," Sen. Ellis said.

Sen. Walker called attention to the growing number of operating personnel in some state institutions, referring particularly to Hillcrest School for Girls, where he said there were 45 employes for 90 inmates. However, the appropriation for this school was approved.

**Uniform State Laws**  
A bill appropriating \$4400 for the commission on uniform state laws was reported out favorably only after considerable discussion.

## Wish McCarthy Drank Poison

Washington (AP)—Lady Nancy Astor told Sen. Joseph R. McCarthy (R-Wis.) at the Taft tea party for the Eisenhowers last night that she wished a drink he was sipping were poison.

Her exact words, Lady Astor recalled today, were: "I wish it were poison." She said them twice, once to anybody who might be listening and once to the senator himself. What the senator replied, if anything, she did not reveal.

But Lady Astor did not go unchided. Mrs. Alice Roosevelt Longworth, the "Princess Alice" of the Theodore Roosevelt era, told her: "Nancy, you're being naughty."

The incident occurred in the near presence of President and Mrs. Eisenhower and their hosts, Sen. and Mrs. Robert A. Taft (R-O.). Lady Astor said she doesn't know whether they heard what she said to the senator. But a lot of others did.

## Ban on Color Television Lifted

Washington (AP)—The National Production Authority Thursday lifted its ban on the use of defense material for making home color television sets. Abandonment of the order, which went into effect in 1950, was announced by Chairman Wolverton (R., N.J.), of the House Interstate committee. The group is checking into the color TV situation.

Wolverton was notified of the action by NFA Administrator H. B. McCoy in a letter stating "with this revocation, there are no restrictions under the Defense Production Act on the manufacture of color television receiver and equipment for home use."

## Liquor Drink Statute Signed By Governor

### Patterson Makes Bill Law at Noon Thursday

By PAUL W. HARVEY, JR. (Associated Press Correspondent)  
Oregon's liquor by the drink bill became law at noon Thursday when Gov. Paul L. Patterson signed it.

Thursday was a busy day at the legislature. The house approved unanimously a senate bill to combine the state retirement system with federal social security, and the senate sent to the house a measure to let legislators fix their own salaries.

**Mandate of People**  
The liquor bill carries out the mandate of the people, who amended the constitution last November to sell liquor by the drink in places where food is served.

Bottle clubs, where members are served from their own bottles, will be retained, but they also may be licensed to sell by the drink in addition to the drink privilege.

Restaurants, hotels and some taverns also will be able to buy the drink licenses, but they won't be more than one seller for the drink for each 2,000 population.

The retirement bill passed by the house is the first of a series of three measures to give 39,000 state, county, city and school employes the benefits of federal social security.

(Concluded on Page 5, Column 5)

## Family Funeral For Queen Mary

London (AP)—The royal family planned today to give Queen Mary the quiet family funeral she personally requested.

The dowager queen will be buried next Tuesday in a private ceremony.

Her body will be placed in the tomb where her husband, King George V is buried. When George died in 1936 she asked that the tomb be built with a space for her beside him.

Mary's request for simplicity was part of the wish she conveyed to her family before she died last Tuesday night.

Another part of the wish was that the coronation of her granddaughter, Queen Elizabeth II, go on as scheduled June 2. It will.

The chapel at Windsor will be closed to the public for the simple family burial. Admission will be by ticket only. Tickets were being sent today to closest relatives and friends.

On Sunday the royal coffin will be carried in procession from Queen's chapel at Marlborough House, her London home, to Westminster Hall, less than half a mile away. She will lie in state at Westminster Hall until Monday evening.

## Flying Tigers and Slick Airways Merge

Los Angeles (AP)—A merger plan for the world's two largest air freight systems, the Flying Tiger Line and Slick Airways, was announced today by officials of the two companies.

Approval of the merger has been given by the boards of directors of the two companies and the proposal will be submitted to the Civil Aeronautics Board and Stockholders for ratification immediately. Both companies operate under CAB certificates and the merger is subject to CAB authorization.

## New Santiam Hospital Dedication March 29

Stayton — The new \$400,000 Santiam Memorial hospital at Stayton will be dedicated in a ceremony in front of the entrance at 2:30 p.m. Sunday, March 29. The building will be open for inspection after the ceremony.

The institution will be open for its first patients Monday, April 6, according to Mrs. Louise Wilt, superintendent. Although the hospital capacity is only 34 beds, it is equipped with the most modern equipment available.

## LIQUOR BILL SIGNED BY GOVERNOR



At noon on Thursday Governor Patterson signed the liquor by the drink bill that will legalize sales as soon as the liquor commission can perfect machinery for distribution under the new law. From left: Sen. Dean Bryson, chairman of the senate alcoholic control commission; Rep. Russell Hudson, chairman of the house alcoholic commission; Governor Patterson and Hugh Barzee, legal advisor to the governor.

## Pleads Guilty to White Slavery

New York (AP)—John Robert Howard, former husband of Actress Diana Barrymore, pleaded guilty Thursday to a charge of transporting a woman across the state lines for prostitution purposes.

Howard, fifth ranking professional tennis player, was sentenced immediately by Federal Judge Gregory F. Noonan to a year and a day in jail.

The 28-year-old defendant had been accused of taking a woman from California to New York in 1948.

Howard's attorney, Martin Benjamin, pleaded unsuccessfully for a suspension of sentence. He sought to have Howard placed on "indefinite probation."

Assistant U.S. Attorney Louis L. Kaplan maintained Howard brought the prostitute here and peddled her to men at \$5 to \$250 a date.

## Wood Called To See Benson

Corvallis (AP)—Dr. G. B. Wood, head of agricultural economics at Oregon State College, has been called to Washington, D. C., for his second meeting as a member of the interim agricultural advisory committee to Secretary Ezra Taft Benson.

Wood will leave Corvallis Friday. Meetings will start Monday at the University of Maryland. They are expected to last two or three days.

Major items of business will be a review of actions taken by the Department of Agriculture since the inauguration and a discussion of future farm policies, Wood said.

First meeting of the 14-man body was held Jan. 6.

## To Destroy 75 Slot Machines on Coast

Toledo, Ore. (AP)—Sheriff W. H. Kuhlbeck on Saturday will destroy 73 slot machines. They were seized last month in a state police raid on the Oceanlake warehouse of the Delake Amusement Company and have been in storage at Salem.

## British Invite Air Safety Meet

Bonn, Germany (AP)—The British invited the Russians Wednesday night to name a time and place in Germany to talk over air safety problems but indicated that the American and French should join in.

Such a Soviet-British conference was proposed by Gen. Vasily Chuikov, Soviet commander in Germany, in a note to British High Commissioner Sir Ivone Kirkpatrick. The note also rejected Allied protests against Soviet fighter clashes two weeks ago with three British aircraft. In one of the incidents, all seven members of the British crew were killed.

Replying Wednesday night, Kirkpatrick said: "I agree in principle with your proposal that a conference should be held in Berlin to discuss the question of air safety."

"I shall be glad if you would communicate to me your proposals for the time and place it should be held."

**\$425,000 Traction Co. Pay Boost Agreed to**  
Portland (AP)—Portland Traction company's board of directors was slated to meet today to consider a union demand for pay increases and other benefits estimated to cost \$425,000.

## On Bunker Hill Held Stopped

### U. S. Guns and War Planes Blast Chinese On Old Baldy

Seoul (AP)—Chinese Reds made new attacks in Western Korea late Thursday, while communists holding shell-rubbed Old Baldy, 25 miles away, took terrible punishment from U. S. guns and war planes.

One attack by about 750 Reds was stopped on Bunker Hill, five miles east of the truce talk village of Panmunjom, early reports said.

Allied troops on a nearby outpost beat off another assault by a force of about 150 Reds.

**Four-Hour Battle**  
At two other outposts in the area, fighting raged on four hours after the first attacks. There was no estimate of the number of Reds involved. Reds and Allies fought hand to hand at the positions.

The attack in the Bunker Hill area could be a Red diversion intended to relieve the deadly pressure on Old Baldy, almost obscured by the dust and smoke raised by Allied artillery (Concluded on Page 5, Column 1)

## Legislative Leaders Set End of Session April 18

President of the Senate Eugene E. Marsh and Speaker of the House Rudie Wilhelm, Jr., issued a statement Thursday citing a list of 21 legislative subjects which should either be approved or defeated by the legislature and predicting that the session can come to an orderly conclusion not later than April 18.

Both President Marsh and Speaker Wilhelm made it clear the list submitted to the legislature was not in any way a "must" list but rather informative on what subjects of legislation the assembly would dispose of prior to final adjournment.

"We feel that this has been an exceptionally hard working legislature," the joint statement read, "and that because of the excellent work done in committees, we will be able to finish the business before us in an efficient and orderly manner not later than Saturday, April 18."

"There are, however," the statement continued, "the following problems yet to be considered by one or both houses, which we feel are of sufficient public interest that they should be passed upon either affirmatively or negatively before adjournment."

(Concluded on Page 5, Column 2)

## Belgrano Back From Manila

Portland (AP)—Frank N. Belgrano, Jr., president of the First National Bank of Portland, said today upon his return from the Philippines that the island republic is making progress toward self-sufficiency.

Belgrano headed a team which made a survey of mutual security aid results.

Belgrano made his report in Washington, D. C., before returning here. He said the report was "top secret," but that some of it probably would be released later by President Eisenhower or Mutual Security Administrator Harold Stassen.

The Holland bill declares coastal states own title to submerged lands out to their historical boundaries. For most states this is three miles, but for Texas and West Florida it is 10 1/2 miles.

Sen. Bill Daniel (D., Tex.) said the bill, as it stood when the committee recessed for lunch, made no mention of the outer belt of submerged land, between state seaward boundaries and the edge of the continental shelf.

## Retail Prices Drop Slightly

Washington (AP)—Retail prices as measured by the government dropped four-tenths of 1 percent between mid-January and mid-February. It was the largest price decline in any month of the past year.

Falling food prices were mainly responsible.

The Bureau of Labor Statistics said the retail price of food, clothing, housing and hundreds of other items bought by moderate income urban families was 113.4 percent of the 1947-1949 average.

The index for Jan. 15 was 113.9.

With the figure at 113.4 for Feb. 15, the government's consumer price index has now declined for three consecutive months from the record peak reached last November.

## Clark Denies Any Shortage Now in Korea

Tokyo (AP)—Gen. Mark Clark said Thursday night if there was any request by his Far East command to divert shipments of artillery shells from Korea to other parts of the world he did not know about it.

"Certainly I am aware of any request from this theater that any ammunition be diverted any place else," Clark told newsmen.

A reporter asked the U. N. Far East commander to comment on a New York Times story that the shells were diverted from the Korean pipeline this month.

"I have commented in the past, in response to several queries, that we now are in good shape on ammunition," Clark said.

The New York Times said artillery ammunition had become so plentiful in Korea that it exceeded storage space.

## Thayer Resigns Post at Munich

Munich, Germany (AP)—The U. S. consulate here announced Thursday that Charles W. Thayer, American consul general in Munich and a brother-in-law of Charles "Chip" Bohlen, has resigned from the foreign service after a new investigation into his diplomatic career was ordered.

A 1933 graduate of West Point and a paratroop lieutenant colonel in World War II, the 43-year-old Thayer plans to devote his full time to writing, the consulate press office announced. He is the author of books on his experiences as a diplomat in pre-war Moscow and post-war Belgrade.

Sen. McCarthy (R-Wis.) told the Senate Wednesday that Thayer had been ordered home "and is, I understand, to be discharged." Although McCarthy gave no reason, he said Thayer's activities when he was head of the Voice of America are "well known to the Senate."

**Loyalty Demanded**  
Sen. McCarthy said that if government employees are not willing to be entirely loyal to their superiors, they should resign.

While he was in the army, the president said, he always felt it would be treasonous for him to stay on if he could not give loyalty to the civilian authorities above him.

(Concluded on Page 5, Col. 7)

## Changes in Draft Of Doctors Law

Washington (AP)—The Defense Department has proposed some changes in the doctor draft law, but the Budget Bureau wants the Pentagon to clarify some of those proposals before it stamps its approval on the changes.

Exactly what the Budget Bureau has in mind was not made known immediately, but Pentagon officials said they believed it had to do with the classification of military medical men.

The Defense Department released Wednesday the text of proposed new legislation, designed to extend the Pentagon's authority to draft medical men beyond its June 30 expiration date. The proposals went to the Budget Bureau for review.

President Eisenhower has approved lowering the number of physicians to be drafted.

**RED SUPPLY SHIPS SUNK**  
Taipei, Formosa (AP)—A Chinese Nationalist news agency said Thursday that seaborne Nationalist guerrillas sank seven Red supply craft and three armed junks and captured another supply craft in the first half of March off South China's Kwangtung Province.

## Author Refuses to Testify on Red Issue

Washington (AP)—Dashiell Hammett, author of popular mystery novels and other books, refused Thursday to testify whether he is or has been a communist. He said "the answer might tend to incriminate me."

And writer Helen Goldfrank, who followed him to the witness stand, told the senate investigations subcommittee that she proudly claimed the similar right under "our lovely Constitution" to refuse to tell whether she ever was a representative of the communist internationale.

The subcommittee, led by Sen. McCarthy (R-Wis.), is exploring at televised public hearings allegations that the works of 75 American communists were among the books placed on shelves of public libraries the State Department

operates overseas as part of the cold war effort. Roy Cohn, general counsel of the subcommittee, told the group he has established that 300 copies of books by Hammett were used in 73 U. S. overseas information center libraries, and that 30 copies of books for children written by Miss Goldfrank under the pen name of Helen Kay were in a variety of the overseas libraries.

Hammett is best known for "The Thin Man," a humorous mystery. Mrs. Goldfrank, declaring "I am proud to be an American... I am proud I can stand on the Fifth Amendment and every other amendment in our lovely Constitution," refused to tell whether she ever wrote under the pen name of Kay.

## Ike Defends Bohlen for Russian Post

### Ammunition Situation in Korea Perfectly Sound

Washington (AP)—President Eisenhower said Thursday the ammunition situation in Korea now is perfectly sound as compared with the type of operations going on there.

The president made that statement at a news conference during which he also defended his nomination of Charles E. Chip Bohlen to be ambassador to Russia. He said Bohlen, who has some under fire from a group of republican senators, is the best qualified man and the nomination sticks.

Eisenhower said he had specifically checked on the loss of "Old Baldy" mountain by the allies and was told that ammunition was not a factor.

"Old Baldy" is an important hill position which communist forces wrested from allied troops this week.

**To Study Taxation**  
On other matters, Eisenhower:

1. Announced that he will recommend to congress, within a few days, creation of a presidential commission to study federal-state relations in the fields of taxation, grants in aid and social security.

2. Said he has great admiration for Wesley Roberts, republican national chairman. Eisenhower added that he will wait for a Kansas state committee to complete an investigation of charges against Roberts before deciding whether Roberts should stay on as chairman. Roberts has been accused of lobbying, without registering under the state lobbying law.

**Loyalty Demanded**  
3. Declared that if government employees are not willing to be entirely loyal to their superiors, they should resign.

While he was in the army, the president said, he always felt it would be treasonous for him to stay on if he could not give loyalty to the civilian authorities above him.

(Concluded on Page 5, Col. 7)

## Mayer Consults Ike, Indochina

Washington (AP)—President Eisenhower said Thursday his cold war talks with French Premier Rene Mayer will be concentrated on NATO and Indochina.

He said this at a news conference a half hour before boarding the presidential yacht, Williamsburg, to talk with Mayer and other top French officials.

The talks were held against a backdrop of reports that this nation was ready to transfer available funds to rush military aid to Indochina, where France and loyal Indochinese have been warring against Communist rebels for years.

Eisenhower, who drew criticism in his presidential campaign for some remarks about France, had kind words for that nation Thursday. He recalled France's service in two world wars and how in the second war her pride was trampled in the dust.

France has had a very hard time, he said, adding that he is sure America hasn't forgotten the sentimental ties with France reaching back to 1776.

## Protests Holding Of Dick Applegate

London (AP)—Britain Thursday instructed her envoy in Red China to protest the holding of three Americans, taken off a yacht near Hong Kong on Saturday.

The protest is on behalf of the United States government, which does not recognize the Chinese communist government of Mao Tse-Tung.

The Americans, taken off the yacht, Ker, are merchant marine Capt. Ben Kramer and two news correspondents, Richard Applegate of Medford, Ore., and Don Dixon.

## Weather Details

Maximum yesterday, 60; minimum today, 52. Total 24-hour precipitation, 0.1 for month, 4.61; normal, 2.50. Season precipitation, 26.07; normal, 21.50. River height, 0.3 foot. (Report by U. S. Weather Bureau.)