

THE WEATHER

OCCASIONAL RAIN tonight, partial clearing and a few showers and cooler, Thursday. Low tonight, 42; high Thursday, 50.

Capital Journal

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FINAL EDITION

Airforce Lists 256 of Missing Presumed Dead

List One of Eight Being Released by Defense Department

WASHINGTON, UP — The Air Force made public today the names of 256 officers and airmen who have been "missing in action" in Korea for more than a year and now must be "presumed dead."

The list was one of eight being released by the Defense Department this week. Altogether, they identify 3856 American fighting men for whom a "presumptive finding of death" was necessary in the absence of any evidence that they survived Korean combat.

30,350 Death Toll — When the last list is made public, the American death toll for the Korean War will stand at an estimated 30,350 with additional (Continued on Page 5, Column 2)

Dominant Party in Italy Torn by Feud

Cabinet Crisis Created That Intensifies Drift to Reds

ROME (UP) — The dominant Christian Democrat party was torn today by a "family feud" that has created a cabinet crisis and intensified the threat of an Italian drift toward communism.

Premier Giuseppe Pella and his "cabinet of experts" resigned last night after less than five months in office as a result of what amounted to a "vote of no confidence" from his own party.

President Luigi Einaudi refused immediately either to accept or reject the Pella resignation, but the Premier is so unpopular in Christian Democrat ranks that it appeared unlikely he could form another cabinet.

Leftwing Christian Democrats have been sniping at Pella for months because of his policy of cooperating with the rightwing monarchists to assure a parliamentary majority for measures favored by his government.

The leftists believe the party should collaborate with Pietro Nenni's pro-Communist Socialists to get its program across.

Lewis Puts up \$50,000 More

NEW YORK (UP) — John L. Lewis, president of the United Mine Workers, has sent another \$50,000 to the old International Longshoremen's Assn. and has promised all the support that is needed in event of a strike, the IILA reported Wednesday.

The figure might run as high as five million dollars, Capt. William V. Bradley, IILA president, told The Associated Press.

It previously had been reported that Lewis had offered a one million dollar strike fund.

The IILA, ousted from the American Federation of Labor as racketeer dominated, is locked in a struggle with a new IILA-AFL for control of the waterfront.

Lewis had turned over \$50,000 to the IILA as a campaign fund shortly before the balloting.

Air Travel Has Shown Increase

More persons travelled to and from Salem via air in 1953 than the previous year, United Air Lines year-end figures showed when tabulated this week.

The year 1953 also showed an increase in revenue to the company at its Salem station with the increase being 9.7 percent over the previous year.

The company's records here on revenue from the Salem station go back to 1946, the first post-war year, and the 1953 revenue exceeded that of 1946 by 2663.6 percent.

Passenger figures were the only ones topping those of the previous year, however. The figures for 1953 on cargo boarded here were mail, 41,061 pounds; express, 17,011 pounds; and freight, 87,060 pounds.

Those same figures for 1952 were mail, 43,960 pounds; express, 17,018 pounds; and freight, 178,325 pounds.

Bank Loses Worthless School Warrant Case

By JAMES D. OLSON

The United States National bank of Portland cannot recover a loss of \$2679 in worthless school warrants, deposited at its St. Helens branch, the Oregon state supreme court ruled Wednesday.

The high court, in an opinion written by Associate Justice Hall S. Lusk, held that the main bank in Portland had voluntarily credited its St. Helens branch with the amount involved.

The school district warrants were fraudulently issued by the clerk of the school district and cashed at the Elite Billiard parlor St. Helens. The billiard parlor deposited the warrants in good faith at the bank in 1945, records disclosed, according to the opinion. Later the billiard parlor closed its account with the bank.

Suit was instituted against the bank by the school district

'DUMMY' MONEY PACKAGE



U. S. Sergeant, left, chief of the Secret Service, and Henry J. Holtzclaw, associate director of the Bureau of Engraving, display a package of "dummy" bills found in the Bureau's vault. While Treasury Department refused to comment the Secret Service was said to be holding at least two suspects in connection with the theft. Virginia troopers said the money was found on farm near Centerville, Va., 25 miles from Washington. The theft totaled \$160,000 in \$20 bills. (AP Wire-photo)

Preliminary Meetings With Russia to Start

BERLIN (UP) — The Western Allies announced tonight they will start preliminary negotiations with the Russians tomorrow for the meeting of the Big Four foreign ministers which opens here Jan. 25.

The first meeting will be held in British headquarters in West Berlin at 10:30 a.m.

More Layoffs At Richland

RICHLAND, Wash., UP — Additional layoffs appeared likely today at the Hanford project in the wake of a walkout of AFL carpenters and millwrights in the Tri-City area.

International union officials were called in late yesterday but local union officials said there was "no end in sight" to the walkout of 1,200 men.

Some 2,000 other workers at the Hanford project had been laid off by yesterday afternoon and the number was expected to rise. Contractors said some other projects with work closely related to carpentering might be paralyzed if the strike continued.

Members of the carpenters and millwright locals failed to report to work Monday to back demands for a \$2.80 hourly wage for the carpenters and \$3.05 for the millwrights. The strike came while the eastern Washington chapter of the Associated General Contractors and craft unions continued negotiating for a new contract to replace one which expired Dec. 31. Both union and management officials said the strike was "not sanctioned."

Explosion in White Chapel

LONDON (UP) — The Whitechapel district of London's East End, target for German bombers in World War II, was rocked Wednesday by a series of underground explosions.

The blasts sent paving bricks flying, spewed flames for 20 feet, blew out the front of a shoe store, knocked firemen off their feet and disrupted the supply of power to factories and stores in the working class area.

None of the firemen was seriously hurt but several suffered cuts and bruises.

An electricity board official said it was possible that an extra power load passing through the old network of cables under the ground caused a faulty wire to smoulder and give off fumes, which caught fire.

Dewey for Curb On Politicians

ALBANY, N.Y. (UP) — Gov. Thomas E. Dewey, whose administration has been struck by scandal, today demanded drastic legislation to prevent public officials and party officers from using their positions for personal gain.

The governor in his annual message opening the 1954 New York Legislature called also for a broad social program running into hundreds of millions of dollars and indicated he would balance the budget without increasing taxes.

In pressing for early imposition of curbs on greedy politicians, the governor insisted that "the public is entitled to expect from its servants a set of standards far above the morals of the market place."

"The people," he said, expect not only "personal honesty but the absence of any reasonable suspicion of dishonesty or even impropriety." He declared it was an issue that transcended partisan politics.

Dewey also proposed: 1. A 350-million-dollar bond issue for expanding mental hospitals. 2. A huge bond issue for more low-rent public housing. The tentative figure is 265 million dollars. 3. A broadening of health services with special stress on aid to children. 4. A code of fair play in state investigations in preventing witnesses from being "smeared." 5. Full support of state development of hydroelectric power at Niagara Falls.

Dewey led off his 11,000-word message with his plea for action to raise the standards of ethics of state and local office-holders and political leaders.

4th Suspect In \$160,000 Robbery Held

All Accused Are Negroes; Woman Also Picked up

WASHINGTON (UP) — The Secret Service Wednesday picked up a man they described as a fourth suspect in the \$160,000 New Year's Eve theft of new \$20 bills from the Bureau of Engraving.

The service earlier had reported recovery of all but \$1,700 of the money.

Charles Howard Nelson, 27, a Negro, was brought under custody to the field office of the Secret Service in the Treasury early Wednesday, the service said.

There, Nelson was placed under questioning immediately.

Nelson's address was given as Chapel Oaks Md., near the District of Columbia line.

Other details were not immediately available.

The case broke open Tuesday with the arrest of a bureau employe, his wife, and a soft-spoken little flagpole painter on a tip furnished—after all-night soul searching—by the father of the woman.

Cousin of Landis

The Secret Service identified Nelson as a cousin of James Rufus Landis, 29, who was held under \$50,000 bail following his arrest.

Landis was picked up at work at the Bureau of Engraving, his 26-year old wife Mamie was arrested at their apartment and a neighbor, William Giles, 27, was the third to be nabbed. All are Negroes.

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Four Arrested in Reuther Case

DETROIT (UP) — Charging four persons with assault to kill police Wednesday cracked open the five year old attempted assassination of CIO President Walter Reuther.

Wayne County Pros. Gerald K. O'Brien and Detroit Police Commissioner Donald Leonard announced the charges and the arrest of two of the four at 5:30 a.m. (EST).

"I am convinced the shooting of Walter Reuther in 1948 has been solved," O'Brien said.

He said a similar attempt on the life of Reuther, brother of Walter, in 1949, is still a mystery.

Arrested were: Carl Renda, 35, a key witness at the Kefauver committee hearing in Detroit.

Clarence Jacobs, 48, of Tecumseh, Ont., who once jumped bond when accused of illegal entry into the United States.

Also named in the warrant was Peter Lombardo, 50, already serving sentence at the Terre Haute, Ind., federal penitentiary.

The fourth person named in warrants issued Tuesday by Recorder's Judge John P. O'Hara, was Santo (Sam) Perrone, 56, father-in-law of Renda and a frequently questioned suspect accused by the Kefauver committee of being "a gang-leading strike breaker and enemy of organized labor."

Perrone is being sought by police. O'Brien said he was convinced Perrone was "in Detroit" within the last 24 hours.

The warrant naming the four also and four "John Does" indicating further arrests in the assassination attempt against Reuther.

O'Brien did not give full details of the arrests and filing of the charges.

Continental Can Strike Ends

NEW YORK (UP) — The CIO United Steelworkers Union ended its strike against the Continental Can Co. today and pressed for settlement of a similar wage dispute idling employes of the American Can Co.

Negotiators for the USW and Continental Can reached agreement on a wage increase late yesterday, signaling a back to work order for 13,000 employes in 34 plants in the United States and Canada who walked out Dec. 1.

No settlement had been reached today, however, in negotiations with American Can, although a USW spokesman said he hoped the Continental Can settlement could be used as a pattern for settling the second walkout, which involves 20,000 workers in 57 plants.

Convenes in Brief Session of Preliminaries

Taylor Warns South Korea on Freeing POW

SEOUL, KOREA, UP — Gen. Maxwell Taylor bluntly warned South Korea today he will unleash his 8th Army against South Korea troops if any attempt is made to free the more than 22,000 anti-Communist prisoners from Indian custody.

In the statement, Taylor "noted" the threat made yesterday by South Korean Foreign Minister Pyun Yung Tae that the ROK army might take "some action" if the Indian custodial troops continue their "illegal screening" of the anti-Communist prisoners.

South Korean officials either refused to comment on Taylor's warning or were conveniently "absent" from their offices or homes.

Jan. 23 Deadline

An Indian spokesman for Indian Gen. K. S. Thimayya, chairman of the Neutral Nations Repatriation Commission, declined comment also except to say: "It is only right that Gen. Taylor has quickly reacted to the South Korean threat."

Thimayya has asked both the United Nations and Communist commands to say whether they wish to change the Jan. 23 deadline for freeing the prisoners.

Gen. John E. Hull, U.N. commander, replied firmly that he will consider the prisoners free at one second after midnight Jan. 23. The Reds have not replied.

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Bohlen Sees Molotov on Atomic Pool

MOSCOW (UP) — U. S. Ambassador Charles E. Bohlen visited Foreign Minister Vyacheslav M. Molotov today in a new move toward negotiations on President Eisenhower's proposal for an atomic energy pool.

Bohlen had last gone to see Molotov in the skyscraper Soviet Foreign Office on New Year's Eve, the State Department said in Washington Monday, to discuss "certain procedures" for starting "substantive talks or negotiations on the President's proposal."

After the New Year's Eve meeting, Bohlen said he told Molotov that the United States was prepared to begin discussions on the procedure for negotiations.

An American Embassy spokesman said he was unable to give any details of today's meeting between Bohlen and Molotov.

It is expected here that Secretary of State John Foster Dulles and Molotov will discuss the atomic energy pool during the Big Four foreign ministers conference which is to open Jan. 25 in Berlin.

No Trouble at POW Release

WASHINGTON (UP) — Two top ranking American officials, returning from the Far East, expressed confidence Wednesday that the release of Korean War prisoners on Jan. 23 will be accomplished without trouble and that peace negotiations will be resumed.

Asst. Secretary of State Walter S. Robertson and Adm. Arthur Radford, chairman of the Joint Chiefs of Staff, told reporters of their observations on an inspection-consultation trip to Korea, Japan and Formosa.

Robertson was asked if he expected any trouble when the time comes for releasing to civilian life all prisoners still held by the Red and Allies. He replied he did not expect any trouble and added:

"I talked with the Swiss, Swedish and Indians (on the Neutral Nations Repatriation Commission) and there seemed to be no dissent from them regarding our position."

The commission has custody of 22,613 Chinese and North Korean prisoners, taken by the Allied side, who have chosen not to go home.

Also held are 355 captured members of United Nations forces.

Robertson, asked if he was optimistic about resumption of talks for setting up a formal peace conference, replied:

"Optimistic is the wrong word because I'm never optimistic about anything the Communists do. But I think the negotiations will get going again."

French Defeat Indochina Reds

Hanoi, Indo-China (UP) — French troops led by paratroopers have routed a powerful force of Viet Minh Communist rebels in a savage battle in Central Laos, it was announced today.

Ground troops opened the attack on the rebels in the narrow waist of Laos where the rebels last month cut Indo-China in two by driving to the Mekong River.

War planes then bombed the rebels and showered them with flaming napalm.

As the rebels faltered and started to fall back, picked commandoes parachuted to their rear and sent them fleeing into the jungle.

The battle was the biggest since the rebel offensive opened in Laos before Christmas.

Bobo Ante up To \$10 Million

NEW YORK, UP — Standard Oil heir Winthrop Rockefeller complained today that his estranged wife Bobo has raised the ante to \$10,000,000 in their negotiations for a divorce settlement.

He charged that she had repudiated a written agreement made three months ago for \$5,500,000, which would have given her the biggest alimony plum in American history.

In a statement issued simultaneously through his attorneys here and at Little Rock, Ark., Rockefeller said "There is no apparent way of meeting Mrs. Rockefeller's insatiable financial demands."

He also accused her of telling lies about her present financial status.

New Members Sworn in and Vinson Lauded

WASHINGTON (UP) — Congress convened Wednesday for a momentous session which will write the record the Eisenhower administration must lay before the people next fall in the mid-term election.

Fresh from five months among the home folks, the legislators assembled in an atmosphere charged with politics.

There was a general sense that the accomplishments of the next six months will go far toward determining whether President Eisenhower will have his own Republican Party or the Democrats in control in the last two years of this term.

The GOP has command by only a razor edge in this make-or-break campaign year session. In the House, the count is 219 Republicans, 215 Democrats, 1 Independent. A year ago it was 221 Republicans, 213 Democrats and one Independent. The Democrats picked up their two seats in special elections in New Jersey and Wisconsin.

Senate Division

In the Senate, the division is 47 Republicans, 48 Democrats and 1 Independent. Continued, nominal GOP control hinges on the avowed willingness of the Independent, Sen. Morse of Oregon, to vote with the Republicans on Senate organization and on the fact Republican Vice President Nixon can break a tie in favor of the GOP.

A year ago, the division was 48 Republicans, 47 Democrats and 1 Independent. The death of Republican Leader Taft of Ohio and appointment of a Democrat, Thomas A. Burke, as his successor effected the change.

Speaker Martin (R-Mass.) dropped his gavel promptly at the stroke of noon to get the House off on its 1954 session. Across the capitol, Vice President Nixon was gaveling the Senate into order.

Galleries of both chambers were filled with spectators.

To Regulate Labor Funds

WASHINGTON (UP) — Regulation of union welfare funds was placed on the "must" list of proposed Taft-Hartley Labor Law changes Wednesday by Chairman McConnell (R-Pa.) of the House Labor Committee.

McConnell said preliminary study indicates that alleged abuse of union welfare funds "could develop into a national scandal" involving billions of dollars.

A subcommittee under Rep. Wini Smith (R-Kan.) already has been set up by McConnell to investigate "labor racketeering" and the use of union welfare funds created by employer contributions.

Both McConnell and Smith indicated they think these funds should be regulated by state agencies, such as state insurance commissions which control insurance companies.

"We've just scratched the surface," McConnell said of investigations thus far conducted. He predicted that the study of welfare funds would be "one of the big things for the committee at this session."

130 Appointees To Be Confirmed

WASHINGTON (UP) — President Eisenhower will shortly ask the Senate to confirm more than 130 appointments, including those of Earl Warren as chief justice of the United States and James P. Mitchell as secretary of labor.

There is no evidence of serious opposition to most of these nominations, made while the Senate was in recess.

But at least one, that of Robert E. Lee to be a member of the Federal Communications Commission (FCC), is certain to receive searching study by the Senate Commerce Committee.

Also on the list of presidential nominations due soon after Congress reconvenes Wednesday will be three members of the War Claims Commission, now serving under recess appointments. Two former commissioners, both Democrats fired by Eisenhower, are challenging Eisenhower's authority to replace them.

Eisenhower's recess appointment of Lee to the FCC has been questioned by some Democrats in connection with Lee's participation in the 1950 election campaign of Sen. John Marshall Butler (R-Md.).

Lee, a former House employe, is a friend of Sen. McCarthy (R-Wis.) who campaigned for Butler against the Democratic incumbent, Sen. Millard E. Tydings. A Senate elections subcommittee criticized that campaign as a "despicable, backstreet type."

Showdown Friendly Fireworks Expected

WASHINGTON (UP) — The showdown second session of the 83rd congress convened on a friendly note today although it is expected to be one of the stormiest meetings in recent history.

Republicans and democrats were headed into angry debate that will make or break President Eisenhower's 1954 program and possibly decide the November congressional elections.

But it was all sweetness and light as the gavel banged down in the crowded senate and house chambers at the stroke of noon EST. Among friend and foe alike, there were hearty greetings, slaps on the back and vigorous handshakes.

Two new senators and four new representatives were welcomed to the fraternity and

lined up to take their formal oaths of office. They included Sen. Thomas A. Burke, the Ohio democrat who succeeded the late Sen. Robert A. Taft.

And, in accordance with time honored tradition, committees officially informed Mr. Eisenhower of the opening of congress and received formal notification that the president will deliver his State of the Union message tomorrow.

But behind the conviviality and ceremony the storm clouds were piling up.

For events have moved in such a way that congress in the next few months must decide highly controversial issues affecting the nation's prosperity, its basic military strategy, and its farm, labor and tax policies.

Spy's Testimony 'Very Valuable'

WASHINGTON (UP) — Sen. Pat McCarran predicted today that the senate internal security subcommittee's interview with Igor Gouzenko will be "very valuable" in future investigations into communist subversion.

The Nevada democrat said he does not know when, if ever the transcript of the interview will be made public.

"It certainly won't be for a long, long time," McCarran said. McCarran and Chairman William E. Jenner (R. Ind.) went to Canada last week end to interview Gouzenko, former code clerk in the Russian embassy at Ottawa. Gouzenko's disclosures to Canadian authorities exposed a Russian spy ring in Canada in 1946.

The Canadian government stipulated that it have control of making public all information contained in the interview. McCarran said the subcommittee still will be able to use the information supplied by Gouzenko as leads for future inquiries.

Ship Collision Being Probed

SAN FRANCISCO (UP) — Coast Guard investigators heard additional testimony Tuesday that the freighter Colorado made a sudden right turn before it and the cement carrier Permanente Silverbow collided in the Pacific 145 miles north of San Francisco Friday night.

Charles F. Corrigan, junior third mate of Henry J. Kaiser's permanent cement ship, testified "the Colorado had the whole Pacific Ocean to pass in, and there was no situation until she made a right turn."

Both of the 7,600-ton vessels were damaged but made port under their own power. Charles H. Fabrik, Welches, Wash., watch officer of the States Steamship Co.'s Colorado at the time of the crash, was ill and excused from Tuesday's hearing.

Other crewmen described the scene on the freighter's bridge.

Vitaliano R. Vilas of Seattle, helmsman of the Colorado, said he was steering north on a 340 degree course when the Silverbow was sighted. He said Fabrik in rapid succession told him to cut the ship right to 350 degrees, then to "make it 360—more right, hurry—put her over hard right," just before the collision.

Two Soldiers Presumed Dead

Two army men from this area were among those upon whose records the department of defense Wednesday wrote "presumed dead."

The men, both of whom were previously listed as missing in action in Korea, are Cpl. Wayne R. Gill, Jr., son of Mr. and Mrs. Wayne B. Gill Sr., 1760 Kansas street, Salem, and Pfc. John J. Leno, son of Nathan N. Leno Star route, Grand Ronde.

Two other Oregon men, Cpl. Leo R. Saul, son of William R. Saul, Baker, and Pfc. Charles M. Tannehill, son of Harry V. Tannehill, Grants Pass, also were on the list.

The "presumptive finding of death" was made by the department in the absence of any evidence that the men may still be alive. It set last December 31 as the date for ending pay and allowances, settling accounts and paying death benefits.

Weather Details

Maximum yesterday, 50; minimum 44. Total 24-hour precipitation, 0.45 inch. Total 24-hour precipitation for month 1.92; normal 1.15. Rain precipitation, 1.47; normal 1.26. River height, 5.7 feet. (Report by E. S. Weather Bureau.)