

THE WEATHER

MOSTLY CLOUDY tonight, partial clearing Thursday, with sunny periods; few scattered showers or brief snow flurries. Low tonight, 28; high Thursday, 35.

Demos Switch Support to Sen. Lewis for Prexy

Governor Seeks to Break Tie Republicans Shun Compromise Offer

By PAUL W. HARVEY JR., Associated Press Writer
Senate Democrats, prodded by Gov. Robert D. Holmes, switched their support Wednesday to Sen. Jean Lewis (D), Portland, for president of the Senate.
But the Republicans refused to accept her.
As the Senate went into its ninth day of deadlock, the Democratic shift followed a Democratic caucus at which Gov. Holmes proposed that the Democrats, who had solidly supported Sen. Walter J. Pearson (D), Portland, shift their support to Mrs. Lewis, a Portland attorney who managed the successful reelection campaign of Sen. Wayne Morse.

Pearson Not Out
Pearson said, "This does not necessarily mean that I am withdrawing. All it means is that we are making a compromise offer to the Republicans."
On the first ballot of the day, Mrs. Lewis got the 15 Democratic votes, and the Democrats kept on voting that way. The Republicans continued to alternate among the three Democrats of their choice—Sens. Phil Brady and Ward Cook, both of Portland, and Harry Bodwin of Klamath Falls.
Sen. Philip S. Lowry (R), Medford, told a reporter that the Republicans had informally discussed the possible candidacy of Mrs. Lewis, "and we again decided that Bodwin, Cook and Brady are the only Democrats who would be acceptable to us from the standpoint of experience."
Presided at Inaugural
Mrs. Lewis is a newcomer in the Senate, although she served in the House in 1955. She presided at the inauguration ceremony for Gov. Holmes.
Another leading Republican, who would not allow use of his name, said "The Republicans never would vote for Mrs. Lewis because that would build up her political career."
The Democrats, as is their policy, maintained silence about what went on in their morning caucus.
But a spokesman for the governor said the proposal to support Mrs. Lewis was the governor's idea.
Before the voting started, Sen. Warren Gill (R), Lebanon, who (Continued on Page 5, Column 2)

Court Upholds Anti-Picketing Suit Dismissal
Dismissal of a suit regarding picketing brought by Loder Brothers, Salem automobile dealers, against the Machinists union by Circuit Judge Val D. Sloper was upheld Wednesday by the state supreme court.
The Salem automobile company had sought to restrain the union pickets from recording automobile license numbers of customers' cars entering the establishment and then sending letters concerning the union's reason for the strike.
Loder Brothers contended that these acts gave rise to a species of intimidation and should be stopped.
The high court said if the taking of the license numbers could be considered an implied threat, such consideration was completely nullified by the use to which the information was put.
"The letters sent to the customers were devoid of any suggestion of threat or intimidation," Justice Harold Warner, who wrote the opinion, said. "They contained no offensive language and were merely informative of the issues involved in the strike."
Justice Warner added that the law grants immunity from injunction to communications of this character.

DO YOU KNOW—
That a naturalized American played the role of a German agent to help the FBI capture the largest spy ring uncovered before Pearl Harbor?
Read The FBI Story Sec. 2—Page 7

OWNERS' STATEMENT

The recent untimely death of Mr. Bernard Mainwaring, vice president and treasurer of The Statesman-Journal company, and editor and publisher of the Capital Journal, makes necessary a reorganization for the continued operation of the company and the newspaper.
The stock of The Statesman-Journal company which is the owner of the Statesman-Journal Newspapers, is equally divided in ownership between the former separate corporations, The Capital Journal company and the Statesman Publishing Company. Mr. Mainwaring was the owner of the former company and that ownership with its holding of 50 per cent of stock in The Statesman-Journal company will be retained by the Mainwaring family, intact.
As soon as the necessary legal formalities can be completed Mr. E. A. Brown will become vice president and Mrs. Jennie Mainwaring treasurer of The Statesman-Journal company to represent the Mainwaring interests.

Mr. Brown has been appointed publisher of the Capital Journal, and Mr. Glenn Cushman managing editor. Mr. George Putnam will continue as editor emeritus. All other employees on the Capital Journal staff will retain their present positions.
THE STATESMAN-JOURNAL COMPANY,
Charles A. Sprague, President
Mrs. Jennie Mainwaring, Director

School Bills Package Submitted to House

\$120 Per Student Aid From State Included

By JAMES D. OLSON, Capital Journal Writer

Increase in the basic school formula from \$90 per census school student to \$120 is provided in a package of bills introduced in the Oregon house Wednesday by the house committee on education.
A number of bills in the package relate to a comprehensive plan of reorganization of school districts, recommended to the 1957 legislature by the interim committee on education authorized by the last legislature.
The reorganization plan is laid down in a number of steps, the first being the calling of a convention of school boards of all classes in a county.
This convention would elect members of a committee of nine, which likely would be composed of school board members but could, under the bill, be citizens at large. This committee would hold hearings throughout the county and promote an overall plan for a county-wide administrative unit to lay down policies for the conduct of grades from 1 to 12. This committee would also have authority to work out adjustment of bonded indebtedness between districts that would be included in new zones. Rep. Joe Rogers, chairman of the committee, said.
When reorganization plans are completed, the bill provides for submission of them to the state board of education. If approved, a county election would be called to give the voters in the various districts an opportunity to pass on the proposed consolidation.
Voter Approval Needed
Voter approval of the reorganization plan in a county would be followed by election of a seven-member administrative board, members to be selected in accordance with the population of the various districts.
The right of appeal to the circuit court is provided in the bill.

Pendleton Gets 17-Inch Snow; Highways Icy

By THE ASSOCIATED PRESS

Snow piled up deeply in northern Oregon Wednesday and many highways near the Columbia River were sheets of ice.
Pendleton was buried under a fall of 17 inches—10 of which fell after 5:30 p. m. Tuesday.
State police reported all available plows were working along the Columbia Gorge and the road was open to traffic despite the heavy snowfall from Cascade Locks eastward.
Pendleton city traffic was in a snarl but Highway 30 was open and Pendleton city schools were operating. The total snow depth of 17 inches was the most there since 22 inches in 1950.
The freeway between Portland and Salem was hazardous. State police said many cars slid off the slippery highway and collisions were numerous.
South of Salem snow and ice was "breaking up and thawing" on Highway 99.
Hermiston and Athena got a 13-inch snow blanket and wheat farmers were happy to get the moisture.
There was no wind at Pendleton, though, and the snow, still coming down heavily in late morning, was piling up evenly.
Only an inch of snow fell in Portland, but in combination with snow and ice remaining from late last week it was enough to glaze streets throughout the city.

Scout Building Work to Start

Grading and other preliminary work will start in the near future on a new Boy Scout building at Shelton ditch, Richard C. Rice, area scout executive, said Wednesday.
Initial plans for the new building were announced early this week when the Cascade Area Boy Scout council purchased the tract of land where the building will be located, from American Legion Post 136. The Legion post sold the land for \$1 after getting the city's permission to sell. The land had originally been purchased from the city with restrictions for American Legion use only.
Rice reported that a \$55,000 structure will be built on the 190x80-foot lot which adjoins the Frank Walton clubhouse. It will be constructed in such a manner that later expansion will be possible.
Present plans call for the building to be used as a site for district council meetings, offices and training quarters. Rice said that initially it will house seven administrative personnel—four scouting executives and three clerical workers.
General supervisor of the building's construction is Norman Fries of the Cascade council.

Weather Details

Maximum yesterday, 41; minimum today, 31. Total 24-hour precipitation, 2.39 inches, normal, 4.29. Season precipitation, 13.71; normal, 22.81. River height, 1.7 feet. (Report by U. S. Weather Bureau.)

GRACE'S DAUGHTER A BEAUTY

Princess Born in Monaco

By GEORGE MCARTHUR
MONTE CARLO — Grace Kelly, princess of Monaco, gave birth at 9:27 a. m. Wednesday (12:27 a. m. PST) to a dark-haired, blue-eyed daughter weighing 8 pounds 2 ounces.
"The delivery went very quickly and in a normal way," said a medical bulletin signed by three attending physicians.
"Her highness the princess and the child are doing very well."
The bulletin added that the baby was "perfectly constituted."
A booming 21-gun salute announced the arrival of Princess Caroline Louise Marguerite, first child of reigning Prince Rainier III and the 26-year-old Hollywood movie star he married last April 19.
Princess Caroline — as she will be called — will succeed her

Brown Is CJ's New Publisher

Ad Director Will Take Place of Mainwaring

(Picture on Page 3, Sec. 2)
Edward A. (Ted) Brown, 61, was appointed publisher of The Capital Journal Wednesday. He will also become vice president of The Statesman-Journal Co. which publishes both The Capital Journal and Oregon Statesman.
The announcement was made by Charles A. Sprague, president and Mrs. Jennie Mainwaring, director, co-owners of the Statesman-Journal Co.
Brown replaces Bernard Mainwaring who died Saturday. The Mainwaring family will retain ownership of 50 per cent of Statesman-Journal stock and will continue to publish The Capital Journal under the direction of Mr. Brown.

Cushman Managing Editor
Glenn Cushman, 29, city editor the past 11 months, was appointed managing editor of The Capital Journal.
The new publisher is a veteran of 37 years as a newspaper executive with Salem newspapers. He became advertising director of The Capital Journal in 1950 and held that position until the two Salem newspaper properties were merged in 1954. He was then named advertising director for The Statesman-Journal Co.
He is a former director of the Oregon Newspaper Publishers association and is presently state vice president for the National Advertising Executives association. (Continued on Page 5 Column 2)

Prices May Climb Further
The climb in prices "may not have run its course," he said; it represents one of the "uncertainties and problems" which Eisenhower suggested strongly that he thinks the government is doing all it can do to curb price pressures, short of heavy-handed restraints that would regiment the economy and invite a recession. Therefore, he said:
"Business and labor leadership have the responsibility to reach agreement on wages and other labor benefits that are fair to the rest of the community as well as to those persons immediately involved."
"Negotiated wage increases and benefits should be consistent with (Continued on Page 5 Column 1)

Pravda Howls At Ringing by Missile Bases

MOSCOW — The Soviet Communist Party accused the United States Wednesday of establishing bases for atomic-armed guided missiles around the perimeter of the Soviet Union. Pravda said this raised the threat of a great new war.
The organ of the Soviet Party says reports in the U. S. press prove the United States is planning to equip its "bases" in Turkey, Iran, Japan, Okinawa, Alaska and Western Europe with the most modern weapons, including long-range guided missiles and atomic warheads.
"We have here, far-reaching plans to prepare springboards for atomic warfare over extensive areas ranging from Europe to the Far East," Pravda said. "The planned distribution of the atomic groups leaves no room for doubt that they are aimed against the Soviet Union and other Socialist countries."
Pravda warned Turkey, Iran and Japan that if they permitted the launching of any of "these weapons of war" from their countries, Russia will answer with "blows delivered by the same weapons."
"The United States has never disclosed whether atomic warheads or bombs are located at overseas bases."

Cities Featured In New Series

Jefferson is the first Mid-Willamette valley city to be covered in a new Capital Journal feature series which begins in tonight's paper. The Jefferson story will be found on Page 5, Section 2.
Each Wednesday a story and pictures of a nearby city will appear.

asked Todd there was no immediate news on that, he said: "Well, I guess I'll be hearing from Margaret soon."
Mrs. Margaret Kelly, Grace's mother, is in Monte Carlo.
Like her father, Princess Caroline was born in the royal palace. Grace originally had wished to have the child in the Monaco Hospital, but she deferred to the wishes of her husband and most Monacans when doctors predicted no complications were expected.
The doctors had been alerted about 3 a. m. and hurried the princess to the special hospital suite arranged near the royal apartment in the palace.
Rainier whisked away the waiting with his father, Prince Pierre de Polignac, and his mother-in-law, Mrs. Kelly. Later Princess Antonette joined them.

Ike Urges Congress to Reduce His Budget If It Can; Message Forecasts Further Prosperity

Alert Against Inflation Is Stressed

By STERLING F. GREEN

WASHINGTON — President Eisenhower reported to Congress Wednesday that a record 1956 prosperity should continue into this year. But he cautioned that more inflation may ride along with it.
In the last of his three major annual messages, the economic report, Eisenhower stressed for the third time in as many weeks his strong opposition to tax cuts and a sober appeal for restraint in wage boosts.
Lists 38 Wanted Laws
He listed 38 laws he wants from the 85th Congress. They included prompt federal aid for school construction, more teeth in the anti-monopoly and antimerger laws, and more help for small firms caught in the credit squeeze.
The nation's total output of goods and services reached a record 412 billion dollars last year, and for the final quarter hit a peak annual rate of 424 billion, Eisenhower reported, forecasting continued good times.
But his basic theme was an appeal to industry and labor unions to join the government in blocking the leapfrog advance of business costs and consumer prices.
The figures Eisenhower cited showed that the country achieved a spectacular 2 1/2 billion dollar advance last year in the annual rate of production, but he said that half the gain merely reflected price increases.

PLANT TO REOPEN THURSDAY
6-Month Strike of 91 At OPP Mill Settled
A millworkers' strike which limited 91 workers for nearly six months at the Oregon Pulp and Paper company has been settled. The plant will begin reopening operations Thursday.
The settlement announcement, which has kept the millwork factory closed since July 31, was made jointly by E. A. Linden, manager of the company's lumber division, M. L. Sullivan, the plant's industrial relations manager, and B. W. Sleeman, general representative of the Brotherhood of Carpenters.
The announcement said that "differences between millworkers' Union 1411 of Salem and the Oregon Pulp and Paper company, millwork division, have been settled and agreements signed by the parties concerned."
Most of the men who were affected by the strike were millworkers but a few were teamsters and warehousemen who refused to cross picket lines.
Linden said Wednesday that about 16 men would be employed Thursday as the plant reopened and that others would be employed as soon as a need for them develops and as they become available. According to Forrest D. Van Swearingen, business representative of Millmen's Local 1411, the men will return to work on a seniority basis.
Although no details of the settlement were revealed, it is known that at one stage in the negotiations the union was asking for a 15 cents-an-hour increase for all workers. The company offered a 15 cent raise for skilled workers and a 10 cent boost for unskilled.
The new general agreement extends to April 30, 1958, but provides for reopening the wage question by April 30 of this year.

City Calls Bids On Water Line

The city of Salem is advertising for bids for construction of the second water supply line from Stayton Sisdand to Salem, and the bids will be opened in the office of City Manager Kent Mathewson at 2 o'clock p. m., Thursday, Feb. 21.
Salem voters last May authorized the issuance of \$3,750,000 for the project.
Proposals call for furnishing and installing about 100,000 feet of 42, 48 and 54-inch line and bids are asked on both steel and concrete pipe.
The line will be approximately 20 miles long and will come through Turner. Capacity of the new line will be about 50 million gallons a day, which, with the present 26-inch line and the John Franzen Reservoir at Turner, will give the city about 75 million gallons of water daily.

City Planners Study Idea of Buffer Zone

A special committee of the Salem planning commission was authorized Tuesday night to investigate the creation of a new type of buffer zone between residential and commercial property.
The group is to be named by Commission President Robert K. Powell.
Suggestion that a new-type zone be created was made by Commissioner Ulin S. Page, who said he favored allowing such buildings as medical clinic and professional offices in the area between residential and business areas.
Under present zoning regulations, he said, a zone change to allow such developments also means that service stations, taverns and other construction sometimes considered objectionable in a residential area could be constructed.
"I see a need for some kind of buffer zoning," he declared.
The commission again delayed for 30 days action on a request by Francis W. Smith to rezone three lots on North Church street north of Union street. The request, which first came to the commission last October, had previously been opposed by the commission but members decided to reconsider it before city council action had been taken.
In other action the commission, after considerable discussion, gave tentative approval to the 46 lot Major's Gardens tract located two miles north of the city on the Willamette river.

Miss Italy Pays Salem a Visit



Beautiful Miss Rosanna Galli, better known as Miss Italy, paid Salem a visit Wednesday and was plenty happy with all the hospitality she received. Rosanna shows her name card used at a noon luncheon where she was the guest of the Community Council, the heads of various Salem women's organizations. Later she helped model clothes in a fashion show. (Capital Journal Photo by Jerry Clouston)

Martin Sights Easy Win for Mid-East Plan

WASHINGTON — House Republican leader Martin predicted Wednesday that President Eisenhower's anti-Communist program for the Middle East will be approved by the House "by a very heavy vote" in substantially the form proposed by the administration.
The Massachusetts lawmaker made the forecast after he and other GOP congressional leaders had conferred with Eisenhower for about 75 minutes. It was Eisenhower's regular weekly session with the legislators.
Senate Republican leader Knowland of California told a news conference he looks for Senate approval of a program designed to block Communist aggression in the Middle East.

No Sign Seen Depression Ahead

By MARVIN L. ARROWSMITH
WASHINGTON — President Eisenhower said Monday Congress has the duty to cut his 72 billion dollar budget if it can do it.
Eisenhower said he agrees with Secretary of the Treasury Humphrey that federal spending should be cut if possible.
The President added there is no indication the nation is about to encounter a depression.
At his 100th news conference since taking office and his first since last Nov. 14, the President also spoke out sharply against any division of his Middle East program into separate military and economic aid packages.
Would Destroy Intent
Some Congress members have talked of splitting the Eisenhower program into two measures, instead of one as asked by the President.
Any such division, Eisenhower said emphatically, would destroy what this government is trying to do—prevent any aggression by the Soviet Union in the Mideast.
A reporter recalled that Humphrey said last week unless the government stopped taking so much out of the economy there would be a half-curving depression.
Humphrey expressed the hope that Congress would be able to cut the budget.
Eisenhower said there were no differences between Humphrey and him. He said Humphrey's remarks did not deal with the immediate future, but rather with the long range fiscal picture.
Only Estimates
The President said he always has taken the position that every dollar possible should be saved, and the budget figures submitted to Congress are only estimates.
He went on to say that if Congress can cut proposed spending, it has a duty to do so.
Eisenhower also expressed the view the nation probably never again would be confronted with a depression such as the one in the 1930s.
On other subjects, the President had this to say:
LABOR RACKETEERING — Eisenhower was asked whether his program for amendment of the Taft-Hartley labor law would deal with labor racketeering. He replied he had not rested in the past that the welfare and pension funds set up by unions be open to inspection. But he added that in his opinion the federal government should not get into the field of exercising police power regarding any labor racketeering—at least not any more than is necessary.
SOVIET RELATIONS — Eisenhower said he had not detected any hardening or change in Russia's attitude toward the United States. This was in reply to a question as to whether he felt the quiet war was intensifying. The President added that he sees no point at this time in renewing personal correspondence with the Soviet leaders.
CABINET — Eisenhower said he plans no changes in his Cabinet at this time. Asked whether (Continued on Page 5, Column 5)

News in Brief

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- Two Chicago Sisters Found Slain in Woods Sec. 1, P. 2
- LOCAL
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