

Weather

FORECAST: Partly cloudy with light showers Sunday, little temperature change.

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Fortieth Year MEDFORD, OREGON, SUNDAY, OCTOBER 28, 1945. NO. 186.

CHINA REDS FIRE ON BARGE, FLAG

HULUTAO AFFAIR TERMED 'MISTAKE', BRINGS APOLOGY

Surprise Attack of Communist Troops Due To Ignorance—Situation Mixed

Aboard Adm. Barbey's flagship Off Hulutao, Manchuria, Sunday, Oct. 28—(U.P.)—Lt. Gen. Lau Shok Hai, commander of the Chinese Communist Fourth Route army garrison at Hulutao, personally apologized to Vice Adm. Daniel E. Barbey today for Saturday's shooting incident in which Communist troops opened fire on the admiral's barge flying the United States flag.

Gen. Lau, accompanied by Col. Jang Jang, went aboard the flagship USS Catoctin several hours after the barge was driven away from the barricaded Hulutao pier by a fusillade of rifle bullets from grey-uniformed Communist troops.

Gen. Lau termed the firing a "big mistake," but at the same time qualified the apology by saying the Communists should have been notified of the American intention to visit Hulutao. Adm. Barbey replied with a stern answer. He said the U. S. forces had formally arranged to notify Soviet authorities, who according to our understanding had been designated to occupy Manchuria. He added that it had come as a complete surprise to find Hulutao under control of elements of the new Fourth Route army, whose central command was more than a thousand miles away in an area west of Shanghai.

Gen. Lau insisted that the volley resulted from the inability of "poor, common soldiers" to identify either of our two ships or the barge, despite the fact that all prominently displayed the Stars and Stripes. The troops opened fire from the shore when the barge reached a point about 60 yards from the pier. There were no casualties, although one shot pierced the hull. Others splashed in the water about the boat.

Lau said he had been ordered to open fire on anyone attempting to land at Hulutao without Communist permission. He said he feared invasion by puppet troops, whom he said had made a previous, unsuccessful foray on Hulutao.

The apology eased somewhat the tense situation which persisted for some time as a result of the inability of Lau's garrison to read international signals and otherwise make contact with us.

This problem finally was solved when a Communist soldier, picked up at a point of land near our ship, conducted the barge to shore for a parley. The parley led to Gen. Lau's visit and subsequent apology aboard the flagship.

The surprise attack on the barge was hardly more astounding than discovery that elements of the Fourth Route army was stationed in this area, and apparently in considerable force. According to disclosures at the time of the original Japanese surrender the signing of the Moscow-Chungking pact, Nationalist troops were destined eventually to take over Manchuria with withdrawal of Soviet forces.

There appeared to be an explosive impasse developing because Communists have indicated they will not permit unopposed central government landings at the port cities of Chefoo and Wei Hai Wei unless specifically ordered by Communist headquarters. And there was little reason to believe Chinese Communists in Manchuria would be more hospitably inclined.

The fact U. S. forces did not return the fire and permitted Gen. Lau to board our ship to proffer an apology seems to have convinced the Hulutao forces that we do not hostile intentions. As far as United States is concerned, Adm. Barbey appeared to have extricated our forces from a difficult situation here, as he did at Chefoo. The U. S. has gained, rather than lost face, here.

Treasure Hunting in Jap Mint Nice Work



Not pieces of eight, but silver coins, 152 tons of it, must be shoveled into bags by Japanese laborers, who work here under watchful eye of Lt. Joseph E. Bergin, Stradford, Conn. The treasure, part of the \$250,000,000 found by U. S. forces, was uncovered when flooded vaults of the Imperial mint were pumped dry. Photo by Tom L. Shafer, Acme photographer.

JUNIOR CHAMBER DIRECTORS MEET HEARS BENGSTON

O. H. Benetson, state representative, told members of the Oregon Junior Chamber of Commerce board of directors convention "to become more public conscious, to develop better men through action for public office and to accept leadership in youth development programs" when he addressed the state convention banquet at the KP ball last night.

Nearly 150 delegates from 10 chapters throughout the state were represented. It was announced by Lee Stidd, Jr., state president that Oregon had won the extension award from national headquarters for organizing new clubs in 1944. Warren Whitlock expansion chairman in 1944, was presented the award and in turn presented it to J. L. Sandmire, president of the Klamath Falls club. Whitlock was a member of the Klamath chapter when he won the award.

Executive committee of the board of directors discussed problems and programs for Jaycee work in the state at the Saturday morning meeting at the armory. Radio talks were made by state officers during the afternoon.

Sections will begin at 10 a. m. today in the Hotel Holland.

BAY AREA STRIKE VIOLENCE LOOMS

(By United Press) A major shutdown of San Francisco bay area shipyards— affecting some 75,000 workers— was threatened tonight as AFL and CIO machinists laid plans for a Monday walkout and picketing.

Approximately 5,000 machinists of the Oakland, Cal., CIO local 1304 Saturday heard union officials order picketing and threaten that the strike would be "no pink tea."

Another 10,000 machinists of lodge 68, AFL, San Francisco, will meet Sunday in Civic Auditorium to map strategy for picketing the San Francisco side of the bay.

But five maritime unions and the International Longshoremen's and Warehousemen's union jointly agreed to break picket lines where necessary to maintain movement of servicemen and hospital ships.

LONG WAIT NEAR END Sacramento, Oct. 27—(U.P.)—Gov. E. Warren today announced he will not stay the execution on Nov. 2 of William Leva Hough Long Beach shipyard welder under death sentence for more than three years.

TRUMAN'S SPEECH HELD PLEDGE TO UNITED NATIONS

London, Oct. 27—(U.P.)—London Sunday newspapers today welcomed President Truman's Navy Day foreign policy statement as a pledge that the United States will fulfill its obligations as a member of the United Nations.

The Sunday Dispatch said statementmen will find "much that is hopeful" in the president's declaration and that it was assurance that the United States will fulfill its United Nations organization duties to support a lasting peace—by force if necessary. "On the question of the atom bomb, President Truman pledges the altruism of the United States in noble phrases," The Dispatch said. "But it will inevitably be noted in this country and elsewhere that the president's words make it clear that even Britain and Canada are regarded as minor participants in the creation of this new force of illimitable potential."

Both the Sunday Times and Sunday Dispatch emphasized the president's statement that the secrets of the atom bomb would not be shared by the United States. Political sources here felt that the president's expressed determination to recognize democratic regimes in former enemy states, and to work for the freedom of navigable waterways, reaffirmed the stand taken by the United States and Britain at the foreign ministers' council in London.

These quarters were somewhat disappointed at failure to mention whether the Big Three had been able to arrive at some conclusions which would get the foreign ministers' council back on its feet.

LAST BOND DRIVE APPEAL SOUNDED

Washington, Oct. 27—(U.P.)—Secretary of Treasury Fred M. Vinson asked the American people tonight to buy \$11,000,000,000 in bonds during the victory loan drive opening Monday to keep the lid on inflation and meet the huge costs of war's aftermath. The victory loan drive is the last organized bond selling effort now planned by the government. Individuals will be asked to subscribe at least \$4,000,000,000, including half that amount in series E securities, and corporations and other non-banking groups will be asked to buy the other \$7,000,000,000.

Vinson will open the drive with a five-network broadcast at 7:35 p. m. EST tomorrow. The drive closes Dec. 8.

NIMITZ OPPOSES ONE DEPARTMENT FOR ARMY, NAVY

Honolulu, T. H., Oct. 27—(U.P.)—Fleet Admiral Chester W. Nimitz, commander of the victorious U. S. Pacific fleet, said today in a navy day address that he was opposed to establishment of a single department of national defense.

He warned the nation to stop, look and listen "before making any changes which may possibly weaken any one branch of our armed forces. Nimitz acknowledged that he had changed his mind about the proposed merger of the war and navy departments within the last 12 months.

"About a year ago, a special committee, appointed by the joint chief of staff to study our post-war organization for national defense, visited Hawaii and discussed with me various aspects of the present war and navy departments' organization as compared with a single department.

"At that time the advantages claimed appeared to be attainable, and, without opportunity for adequate study, I expressed to the committee my approval of a single department.

"Today I am opposed to a single department of national defense. With the passage of time and the experience gained in the last year of the war, I have changed my opinion.

TOP NAZI NABBED WITH SHOES OFF

Nuernberg, Oct. 27—(U.P.)—A 24-hour guard has been placed over top Nazi war criminals in the Nuernberg jail to prevent further suicides, it was disclosed today as reports from Heidelberg announced the capture of SS Lt. Gen. Count Georg Henning Von Bassewitz-Behr, trouble-shooter for Heinrich Himmler, late Gestapo chief.

Bassewitz-Behr was captured at Bremen, where he was attending a celebration of his 25th wedding anniversary at his daughter's home. The general was surprised in an easy chair, without his shoes. A poison vial was in his pockets.

GERALD SMITH BOEED Oakland, Oct. 27—(U.P.)—CIO union members and Jewish and Negro delegations turned out 5,000 strong tonight in a raucous cat-calling picketing of the Oakland Technical high school where Gerald L. K. Smith spoke favorably of a "hard and egg" pension amendment to California law.

COMPROMISE TAX RELIEF CUT PLAN VOTE THIS WEEK

House and Senate Agree To Give Business, Individuals 1946 Aid

Washington, Oct. 27—(U.P.)—House and senate conferees compromised a dispute over corporate tax relief today and agreed on legislation to give \$5,920,000,000 in individual and business tax cuts next year.

Both houses are expected to approve the conference recommendations early next week, although the bill proposed tax reductions nearly \$1,000,000,000 above the limit suggested by the administration.

The conferees agreed on a bill which would cut individual income taxes by \$2,644,000,000 in 1946 and corporate tax liabilities by \$3,136,000,000. House conferees acceded to senate demand that the corporation excess profits tax be repealed Jan. 1. The \$5 automobile use tax also would be repealed at a cost of \$140,000,000 to the treasury, but excise tax rates would remain at present levels.

For individuals the conferees adopted this plan, which had been approved by the senate:

- 1. Twelve million taxpayers would be relieved by all liability through applying the surtax exemptions of \$500 for the taxpayer and each dependent to the three per cent normal tax. Under the present law, normal taxpayers were allowed an exemption of only \$300 with no exemptions for dependents.
2. Surtax rates would be reduced three percentage points with a new graduated scale ranging from 17 to 88 per cent replacing the present scale of 20 to 91.
3. After the tax was computed by that formula, the sum would be cut by five per cent to determine the amount due.

NORTHWEST MILL STRIKE PARLEYS WAIT ON TRUMAN

Portland, Ore., Oct. 27—(U.P.)—Northwest CIO negotiations with fir operators and federal conciliators marked time today awaiting President Truman's announcement of his wage-price formula to be aired Tuesday night.

The 11-day parley will be resumed Thursday with George Brewer, federal labor commissioner.

Although agreeing that the president's answer to widespread labor unrest throughout the United States may help the northwest lumber industry, leaders of the striking AFL lumber workers have called a special session here Monday.

John Christenson, AFL strike leader, announced more than 250 members of the 15 executive councils composing the Northwest Council of Lumber and Sawmill Workers, AFL, will meet with the avowed intention of "enlarging the strike program."

Peace talks in the Grays Harbor area were reported taking shape today as Willis Haver, member of the AFL strike policy committee, revealed his union was ready to meet with operators of eight strike-bound mills there.

SNOW CLOSES ALL CRATER LK. ROADS

It was snowing hard at Crater Lake Saturday night and drivers were being erected at the west and south entrances, E. P. Leavitt, park superintendent, reported. All staff members are being moved out to the Medford office, Leavitt added.

SECY. ICKES SAYS PROJECTS READY, BUT LACK FUNDS

Congress Gets Reminder—Reclamation, National Parks Work Listed

Washington, Oct. 27—(U.P.)—Secretary of Interior Harold L. Ickes gently reminded congress tonight that his department is ready to go ahead with millions of dollars worth of "long-delayed and war-stopped" conservation programs as soon as it gets the necessary money.

Ickes said in a statement that plans for hundreds of peacetime projects have been completed during the past two years by the various bureaus and agencies of the interior department.

Some of the projects will require up to 10 years to complete, Ickes said. He said the program would provide the equivalent of "one year's work for at least 1,500,000 veterans."

Ickes said new undertakings and work expansion up for consideration or already started include the huge Columbia basin irrigation project in Washington state, where 1,000,000 acres will be irrigated and 15,000 homesteads provided.

Construction already has been resumed on \$369,000,000 Central Valley project in California.

The program includes: Bureau of reclamation—nearly 250 projects to expand agricultural and industrial activities in Oregon and 16 other states. Ickes did not announce the individual projects.

Geological survey—A three-year program to provide "a complete survey of our national assets." Bureau of mines—A 10-year survey of "every existing reserve of oil, coal, minerals and metals." Bonneville Power Administration—A \$164,000,000 project to bring low-cost power to farms, homes and industries throughout the northwest.

National park service—Additional roads and housing for the 168 national park areas.

Fish and wildlife service—A \$115,000,000 program of construction work on wildlife refuge areas and fish hatcheries.

STATE TO ELECT BOND SALE QUEEN

Portland, Ore., Oct. 27—(U.P.)—Oregon will elect a victory bond queen as part of the campaign to reach its \$69,500,000 quota in the coming bond drive, it was announced today.

City winners, based on votes from bond purchasers, will compete in county semi-finals and state finals to be held in Portland.

Oregon's victory bond queen will receive a free trip to Hollywood, a screen test with the chance of receiving a one year film contract and a crack at the title of western bond queen.

SHOE RATIONING END DEEP SECRET

Washington, Oct. 27—(U.P.)—Reliable sources said tonight that the exact date for the end of the shoe rationing will be determined early next week by officials of the office of price administration and the war production board.

Both agencies have insisted that the date will be announced suddenly at the end of a business day so that rationing will be enforced right up to the end.

ROBS EXPRESS CAR Winchester, Va., Oct. 27—(U.P.)—A passenger robbed the express car of a Washington and Old Dominion railway train tonight, and Winchester police said he escaped in the night with nine briefcases containing \$350.

BULLETIN

Eaigon, Indo China, Oct. 27 (U.P.)—British Indian and French troops striking to clear revolting Annamese forces from the approaches of Saigon have captured a strategic river town to the south and probably exploded an Annamese ammunition dump to the north, it was announced today.

Batavia, Oct. 27—(U.P.)—British reinforcements arrived in Java today as unrest was reported increasing at Bandung and Soerabaja, strongholds of Indonesian Nationalists fighting against the return of Dutch rule.

GENERAL MOTORS PROMISES BOOST WITH 45 H. WEEK

Detroit, Oct. 27—(U.P.)—General Motors tonight for the first time asked the CIO united auto workers to accept a 45-hour work week during the reconversion period. The company offered an inducement of a six per cent wage raise for straight time work.

GM President C. E. Wilson asked the union to join in petitioning congress for a change in the wage-hour act.

He had made the proposal earlier to a press conference, but this was the first time he had asked the union directly to accept a longer work week at higher pay in lieu of the 30 per cent wage boost asked by the union for a 40-hour week.

It was expected that the UAW would reject the offer flatly, since it has stated its vigorous opposition to any upward modification of the 40-hour week for which labor fought so long.

Wilson took note of this view by saying, "Your first impression of this proposal probably will be that it is a reactionary idea, and not in the interest of labor."

However, he added, "it is not reactionary any more than working longer hours in the war emergency was."

SPEEDY SCRAMBLE TO DEMOBILIZE IRKS FORRESTAL

Washington, Oct. 27—(U.P.)—Secretary of War Henry H. Forrester, warning against the "disarmament follies" of 1922, pleaded tonight that the United States retain sufficient military might to prevent another "formidable combination of lawless nations" from launching a third world war.

Revealing that demobilization already has reduced American fighting strength to a fraction of what it was two months ago, Forrester called for realization that moral principles must be backed by force and said that a hasty scramble to rid ourselves of all memories of war would be an invitation to new aggression.

In a speech climaxing observance of Navy day, Forrester said:

- 1. Endorsed President Truman's plan for universal military training.
2. Opposed a merger of the Army and Navy departments and called instead for a national security council welding together all agencies of defense.
3. Announced that 1,100,000 navy personnel will have been released by Christmas.
4. Asserted that World war II could have been avoided by swift, concrete action against the first aggressive acts of Japan, Italy and Germany.
5. Disclosed that Japan had planned and set the date for its entry into World War II a month before Pearl Harbor.

California Deaths On Highway Soar Sacramento, Oct. 27—(U.P.)—Automobile accident deaths in California already have increased almost 30 per cent in the first nine months of this year over the same period in 1944 and even higher fatality records are expected in the coming three months, the state motor vehicle department reported today.

TRUMAN OUTLINES FOREIGN POLICY; PEACE SOLE AIM

Millions Cheer President's Speech—Twelve Fundamental Points Told

New York, Oct. 27—(U.P.)—President Truman today outlined an American foreign policy of righteousness and justice and said this nation would use its military might—the biggest navy in the world and powerful land and air forces—to help all the United Nations attain a lasting world peace.

The president, heading the nation's observance of Navy Day, spoke to an estimated 1,000,000 persons in Central Park. Millions more cheered him as he was driven through the streets on his way to review the fleet anchored in the Hudson river.

He told the world in his most important speech as president that the United States intends to keep its navy at great strength, but America's military might will be used solely for the preservation of peace.

In plain language, Mr. Truman restated the fundamentals of American foreign policy. They were:

"1. We seek no territorial expansion or selfish advantage...
2. We believe in the eventual return of sovereign rights and self government to all peoples who have been deprived of them by force.

"3. We shall approve no territorial changes in any friendly part of the world unless they accord with the freely expressed wishes of the people concerned.
4. We believe that all peoples who are prepared for self-government should be permitted to choose their own form of government by their own free choice, without interference from any foreign source...

"5. By the combined and cooperative action of our war allies, we shall help the defeated enemy states establish peaceful democratic governments of their own free choice. We shall try to attain a world in which nazism, fascism and military aggression cannot exist.

"6. We shall refuse to recognize any government imposed upon any nation by the force of any foreign power. In some cases it may be impossible to prevent forceful imposition of such a government. But the United States will not recognize any such government.

"7. We believe that all nations should have the freedom of the seas and equal rights to the navigation of boundary rivers and waterways and of rivers and waterways which pass through more than one country.

"8. We believe that all states which are accepted in the society of nations should have access on equal terms to the trade and the raw materials of the world.

"9. We believe that the sovereign states of the western hemisphere, without interference from outside the western hemisphere, must work together as good neighbors in the solution of their common problems.

"10. We believe that full economic collaboration between all nations... is essential to the improvement of living conditions all over the world...

"11. We shall continue to strive to promote freedoms of expression and freedom of religion throughout the peace-loving areas of the world.

"12. We are convinced that the preservation of peace between nations requires a United Nations organization composed of all the peace-loving nations of the world who are willing jointly to use force if necessary to insure peace."

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