



CHARGED WITH TREASON—Army Major Ambrose H. Nugent (left) of Merrill, Wis., 44-year-old career soldier, was charged with committing treason while a prisoner of war for 38 months in North Korea. Nugent said he thought and hoped the Army would give him a fair trial. "That is all I ask," he said. At right is his wife, Olga, and his two children by former marriage, Frances (left) and Marsha.

Morse Cites Ike's Handling Of NATO for Bolting Party

Waste and Poor Administration Declared Visible

Senator Plans To Run as Independent

Washington—(U.P.)—Sen. Wayne Morse, (I-Ore.) today said that one reason he broke from the Republican party was that President Eisenhower, then a candidate for President, had mismanaged the North Atlantic Treaty Organization.

Morse, who split from the GOP during the 1952 campaign, said a trip overseas showed "waste and poor administration." The senator said many military officials said to him in off-the-record conversations that "they knew the administrative setup of NATO was wasteful but the responsibility for it was Eisenhower's." They said he was not a good administrator and that his idea of a compromise was to give each group what it asked for.

Eye on White House
Morse reported that "Many of them also said that they thought one of the reasons for the inefficient administrative setup of NATO was because Eisenhower had his eyes on the White House and was trying to please everyone."

Morse said he told Harold E. Stassen in 1952, now foreign operations administrator, that "I was shocked by the expediency and political immorality of the Eisenhower campaign and that they could count me out."

The independent senator added that he was shocked when Mr. Eisenhower "castigated the State Department for taking the troops out of South Korea" when "there was no doubt that Eisenhower was a party to the recommendation" to remove the troops as chief of staff of the Army and "later as the chief civilian adviser to the President."

Won't Join Democratic Party
Morse also said, in a copyrighted interview published in the weekly news magazine, U. S. News and World Report, that he will vote with the Democrats to organize the next Senate but he does not intend to join the Democratic party. Morse, whose vote helped the Republicans organize the closely-divided 83rd Congress, said he decided two years ago he would vote with the Democrats in the 84th Congress regardless of this year's election outcome.

Morse said he thinks the Democrats will restore his seniority which controls his committee assignments and which the Republicans denied him after he quit the GOP. "I don't think the Democrats will make the historic mistake the Republicans made," he said.

To Run as Independent
But, he said, "my present intention is to run as an independent in the next election." He said he thinks "party machines have perverted the original purpose of the parties into policy controls."

"Time after time the majority of the Senate of the United States are with me on a point, but they are not free to vote with me," Morse said.

Madras Motel Cabins Destroyed by Blaze

Madras—(U.P.)—Fire, touched off by a propane gas explosion, destroyed five cabins of the Rainbow Court motel here yesterday, but guests who occupied four of the units escaped without injury.

The explosion occurred about 6:30 a.m. and the fire spread rapidly. Some of the tourists lost part of their personal belongings.

The Madras fire department fought the blaze for four hours, pumping some 60,000 gallons of water on the flames before bringing the fire under control. Fire Chief Glen Nelson said if the firemen had arrived 10 minutes later the five remaining cabins, a store, cafe and service station would also have been lost.

Owner Cecil Acteson estimated his loss at between \$15,000 and \$20,000.

Downey, Calif.—(U.P.)—Song-writer Johnny Mercer, 44, today pleaded guilty to a drunk driving charge and was fined \$200.

Weather
FORECAST: Decreasing cloudiness and colder tonight. Low tonight 35. Partly cloudy Tuesday with high 55. Temp. Tuesday with high 55. Prec. To 10:30 a.m. today .15

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Economists View 1955 as Another Second-Best Year

Gradual Improvement Expected To Continue

Washington—(U.P.)—Government economists predicted today that 1955 will be another second-best year for business, a little better than this year but not quite as good as 1953.

They said they expect the gradual economic improvement which started last month to continue without any serious setbacks. But they expressed confidence that President Eisenhower will step in with requests for emergency measures, such as tax cuts and a greatly expanded public works program, should the optimistic forecast go wrong.

Income To Stay High

These economists based their prediction mainly upon belief that the construction boom will continue, personal income will stay high, and that manufacturers, wholesalers and retailers will begin to build up inventories which they have been using up for the last year.

The government economists' forecast concurred with one made recently by business and industrial leaders making up the government's business advisory council.

Advance predictions that this year would be a second-best one for business were borne out by a Commerce department report made public last night. It estimated gross national product for the third quarter at an annual rate of \$355,500,000,000, about the same as the two preceding quarters.

Below 1953 Record

It indicated the gross national product for the entire year of 1954 would be about \$356,000,000,000, some \$8,000,000,000 less than the record prosperity of 1953 but about \$10,000,000,000 more than in 1952.

Gross national product, the total of all goods and services produced, is considered the best business barometer.

The economists said indications that are new construction, which has been rising to new records nearly every month this year so far, will continue on its sensational upsurge with housing maintaining its position as pace setter.

Blazes, Vandalism Keep Firemen Busy

An awning fire, a blown-down power line, two acts of vandalism, two flue fires and a trash fire kept firemen busy here yesterday.

Firemen reported that one awning was destroyed and another damaged about 8:45 a.m. at the Allen hotel. A cigarette dropped from a window of an upstairs room was the apparent cause, firemen said.

Firemen were called about 3:10 p.m. to South Keene way where a power service line had been blown down in the high wind. They stood by until a California Oregon Power company repair crew arrived.

Fire hydrants in two widely separated areas in Medford were shut off last night. Firemen were told that the hydrants were turned on by boys who were riding in an old model coupe.

The flue fires were about 4:50 p.m. at the D. A. Runyard home, 2748 Jacksonville highway, and about 6:50 p.m. at the L. L. Whiteside residence, Glenwood st. No damage was reported in either case.

The late night trash fire was extinguished in a vacant lot near the high school shop building.

Fred Meyer Store Robbery Suspects Held

Portland—(U.P.)—Police in Astoria and Portland today arrested two of four suspects in Saturday's \$5700 robbery of a Fred Meyer store here.

Reds Sink Warship

Navy Patrol Plane Ditches in Ocean; Four Men Rescued

Rescue Craft Missing With Two-Man Crew

Norfolk, Va.—(U.P.)—Four survivors of a Navy patrol plane that crashed off the North Carolina coast were plucked from the water today but a fifth man perished and two members of a search crew were missing.

A Coast Guard seaplane landed on the water and rescued four of the Navy plane's crew who had managed to get aboard their life raft. They were spotted in the cold gray morning mist, floating on Pamlico sound northwest of barren Ocracoke island.

Survivors Identified

In Washington, the Naval Air Station at Anacostia identified the survivors as Lt. Robert Lawton Mallonee, Towson, Md.; Lt. Cmdr. George S. Smith, Fairfax, Va.; Lt. Albert W. Funkhouser, Edgewater, Md., and an enlisted seaman, Dimitrios D. Sotiriopoulos, Washington, D.C.

Still missing was Seaman Richard Garlinski, Washington. The body of the fifth crewman was not recovered. The Coast Guard said it understood the plane sank after a forced landing.

Mechanical Trouble

The PV2, a twin-engined seaplane, was on a flight from Miami to the Anacostia, Md., Naval Air Station when it radioed that it would attempt a forced landing at sea 30 miles off Cape Lookout, N.C.

The plane had reported mechanical trouble.

There was no word from an F4D fighter plane from the nearby Cherry Point, N.C., Marine Air station which was diverted to search for the PV2 while on a routine training flight. The fighter, carrying a two-man crew, was listed as missing.

Democrats May Probe Other Power Deals

Washington—(U.P.)—The Democrats may dig into other administration power deals when they launch their promised investigation of the Dixon-Yates contract in the next Congress, it was learned today.

A key Democrat said the inquiry may embrace Atomic Energy Commission contracts with Electric Energy, Inc., and the Ohio Valley Electric Corp. Both are private power groups supplying AEC installations.

Administration spokesmen justified some of the terms of the Dixon-Yates agreements during hearings before the congressional Atomic Energy Committee last week by citing the precedents of the other two agreements. Democrats were understood to believe they can show that these contracts, too, have had bad features.

AFL Subcommittee Lists Changes Wanted From New Congress in Taft-Hartley Law

Washington—(U.P.)—An AFL subcommittee wants the new Congress in January to raise the wage minimum and repeal part of the Taft-Hartley labor law in an effort to curb the movement of businesses from high-wage to low-wage areas.

The AFL's legislative council's subcommittee listed these actions in a five-point program revealed last night in the AFL News-Reporter, official AFL publication.

Requests Listed
The program, labeled the "minimum to staunch the industrial hemorrhage in many communities," calls for:

1. Raising the federal minimum wage under the Fair Labor Standards Act from 75 cents to \$1.25 an hour, a proposal previously endorsed by the AFL and CIO. The Labor department now is preparing recommendations.



BANQUET SPEAKER—Pictured above is George Wilson, president of the California Farm Bureau association. Wilson will be the featured speaker for a Thursday banquet of the Oregon Farm Bureau Federation convention, which opens in Medford tomorrow. Headquarters for the convention, which will run through Friday, will be the Medford hotel.

Phoenix Man Hurt In Knife Attack by Unidentified Pair

Jack Dempsey Fitzsimmons, 35, Phoenix, was reported in "good" condition today at a local hospital after suffering multiple knife wounds early yesterday morning just north of the Big Y market on Highway 99, according to attendants and city police.

Fitzsimmons was wounded about the face, arms and right knee, attendants at Community hospital reported. Police said the knife wound was the worst.

The man told police that he was attacked by two unknown assailants "apparently without reason." He had been attempting to get a ride to Central Point when the attack occurred, police added.

An investigation was continuing today by both city and state police officers.

Work on Courthouse Annex Progressing

Construction officials at the new courthouse annex site reported today that welding on the steel framework can continue if the rain does not get any heavier.

Most of the connecting joists are now installed, and work is expected to begin tomorrow on installing the wall studs, they said. When the latter is completed, the roof will be put in place.

Workers hoped to pour the concrete walls of the first floor vault tomorrow and its top on Thursday.

DOW-JONES AVERAGES

New York—(U.P.)—Dow-Jones final stock averages: 30 industrials 376.74 off 0.36; 20 railroads 126.88 off 0.77; 15 utilities 60.24 off 0.36, and 65 stocks 138.08 off 0.45. Sales today were about 3,080,000 shares, compared with 3,720,000 shares traded Friday.

Nationalist China Military Leaders Discuss Emergency

28 Crewmen Said Lost in Attack

Taipei, Formosa—(U.P.)—Generalissimo Chiang Kai-shek's military chiefs met today to cope with an emergency caused by the sinking of a U.S.-built Nationalist warship by four Communist Chinese torpedo boats.

Latest unconfirmed reports said Nationalist warplanes and seaplanes had picked up all but 28 of the 200 crewmen who were aboard the destroyer-escort Tai Ping when it was attacked early yesterday.

Third Spectacular Move

The Tai Ping, formerly the U. S. S. Decker, went down north of the Nationalist-held Tachen Islands, 200 miles north of Formosa, which have been under Communist artillery fire for several weeks.

Sinking of the Tai Ping was the third spectacular Communist move in the recent outbreak of fighting around Chiang's outposts islands. Earlier the Reds had heavily shelled Quemoy island, 115 miles west of Formosa, and bombed the northernmost Tachen Islands.

Nationalist naval authorities pointed out more than a year ago that fast motor torpedo boats would seriously threaten Nationalist naval supremacy in the Formosa straits.

Military Circles Surprised

Action of the Red torpedo boats surprised military circles in Taipei, even though it had been reported that the Russians were handing over these craft to the Red Chinese in increasing numbers.

Nationalist newspapers angrily demanded "massive retaliation" against the Chinese and denounced the attack on the Tai Ping as a deliberate Communist attempt to strain Nationalist relations with the United States.

Reliable sources said they believed Washington's views possibly were being sought by the Nationalists before retaliating against Communist defenses.

Christian Science Church To Build

It was revealed today by the Chairman of the Board of the First Church of Christ, Scientist, Medford, that due to the growth of the congregation and the Sunday school and the need for expansion, they have purchased approximately three and a half acres at Windsor ave. and Oakwood dr., on the East Side, and are planning to build a church to meet these requirements; and to provide off-street parking.

Ben H. Todd, Medford architect, is designing the new building.

Case Withdraws Support in One Count of Censure

Washington—(U.P.)—Sen. Francis E. Case (R-S.D.), a member of the Senate's Censure Committee, today formally withdrew his support for one of the two counts on which the committee recommended censure of Sen. Joseph R. McCarthy.

Case announced his switch in a letter to Sen. Arthur V. Watkins (R-Utah), chairman of the Censure Committee. It was made public shortly after Senator William E. Jenner (R-Ind.), had urged the Senate to shelve the committee recommendations.

In an impassioned speech, Jenner said the move against McCarthy was Communist inspired and should be killed.

Quits Zwicker Incident

Case was one of six members of the bi-partisan committee, which recommended unanimously that McCarthy be censured for his attitude toward a 1951-52 Senate Elections Subcommittee and for his treatment of Brig. Gen. Ralph W. Zwicker.

The South Dakotan's letter said he would not vote in the Senate for the count against McCarthy in connection with the Zwicker incident.

Case referred to a letter from Army Secretary Robert T. Stevens to Watkins, responding to questions which Case had submitted during a conference in Watkins' office Saturday.

'Would Be Wrong'

He said that letter, together with two other letters which Stevens brought to the conference and prior evidence, convinced him "that it would be wrong to censure Sen. McCarthy on the second count, the Zwicker affair."

"Therefore, I shall not vote for it," Case wrote Watkins.

The Stevens letter to which he referred was not made public.

McCarthy was accused of abusing Zwicker at a closed hearing last Feb. 18. Zwicker took the position that Army orders forbade him from answering questions about who was responsible for the promotion and discharge of Maj. Irving Peress, an Army dentist described by McCarthy as a "fifth amendment Communist."

Chairman Watkins said Case's withdrawal of support from the Zwicker charge "doesn't affect me, and I understand that it doesn't affect other members of the committee either."

Blames Communists

In the Senate chamber, meanwhile, Jenner said "the strategy of censure was initiated by the Communist conspiracy."

In a table-thumping, thundering speech, Jenner urged his colleagues to table the censure resolution and "counter-attack against the Communist conspiracy."

The attacks against McCarthy, including the censure motion, Jenner said, should be viewed in light of the "continuous Communist efforts to sabotage the legislative process in the last 16 years."

Cordon Blames Vote Defeat On 'Not Being Politician'

Portland—(U.P.)—Sen. Guy Cordon says he lost the recent U. S. senatorial contest to Richard L. Neuberger, because he had "never been in any sense a politician."

Cordon said he had not intended to seek reelection after 10½ years in the senate and had failed to keep his political fences mended. He also said he "didn't know much about Multnomah county politics" and felt his time could be better spent upstate.

Deciding Factor
Neuberger's margin in Multnomah county proved to be the deciding factor in the hotly-contested race.

Cordon also said he had intended to return to Oregon in July to begin his campaign. But the death of Sen. Hugh Butler elevated Cordon to the head of the senate interior and insular

McCarthy Committee Said Holding Answer To Peress Question

Washington—(U.P.)—Sen. Arthur V. Watkins (R-Utah), told Sen. Joseph R. McCarthy today that the files of McCarthy's own Investigation Subcommittee contain the answer to "who promoted Peress?"

As Watkins spoke, McCarthy held in his hand a document stamped in red "confidential" which was apparently the material to which Watkins referred.

Watkins told McCarthy that Army Secretary Robert T. Stevens furnished a list of 30 names, "beginning with a general" to the Army-McCarthy investigation last spring and asked that the document be kept confidential.

Watkins said the list "contained all the names of those who

had anything to do with" the promotion and honorable discharge of former Maj. Irving Peress, a dentist whom McCarthy has called a "fifth amendment Communist."

McCarthy promptly told Watkins he was "wasting" his subcommittee's time.

Sometimes Watkins and McCarthy exchanged bitter words at a hearing before McCarthy's investigating subcommittee.

The hearing was held shortly before the Senate resumed debate on the McCarthy censure resolution.

At one point, McCarthy declared that Watkins was "derelict in his duty" as a senator.

Watkins replied that McCarthy would never be satisfied in the Peress case until "someone was shot or hung" regardless of the facts of the case.

Watkins said that if he might give some "advice from an older man," McCarthy should question the 30 persons on the list in closed session in an attempt to find out who was responsible.

Watkins told McCarthy that if he would follow this "reasonable procedure," it would "help a lot in pinpointing who was responsible."

Grand Hotel Sold To Portland Man; Plan to Remodel

Purchase of the Grand hotel, 202 North Front st., by Otto Schulz, Portland apartment house owner, was announced here today by his son, Harry Schulz. The amount of money involved in the transaction was not revealed.

Harry Schulz is co-owner, with his brother, Robert Schulz of Brownie's Plumbing and Heating, Inc., Medford. The brothers will not be associated in operation of the hotel.

Second Recent Sale
Schulz purchased the hotel from E. B. and Hazel D. Serruys, who bought the Grand only a few months ago from August Zettlin. The latest transaction, which was handled through Weisbrod Realty company, includes three lots in addition to the hotel.

The new owner, according to his son, plans a long-term remodeling and renovation program, scheduled to begin in the next three or four months with remodeling of the lobby.

No future plans have been announced by Mr. and Mrs. Serruys.

Industrial Section In Honolulu Burns

Honolulu—(U.P.)—A fire swept over three acres of industrial property in the southwestern section of Honolulu last night, causing damage estimated at \$1,000,000.

The fire broke out in the Tong Publishing Company shortly before 8 p.m. Exploding materials sent flames into nearby houses belonging to Hawaii builders.

A half dozen small industries and businesses were gutted before eight fire companies brought the blaze under control.

DA Ready To File Answer To Motions

District Attorney Walter Nunley reported today that the state will file a brief within the next two days on the defense motion for a new trial for James Norman Jensen, 25, Larkspur, Calif., convicted of murder here.

Circuit Judge H. K. Hanna reported earlier that he was withholding a decision on the motion until a brief for the state is filed. The court has 60 days upon which to rule on the motion from the filing date, otherwise it is considered denied.

Jensen, convicted of the April 24 murder of Mrs. Fern Hille, has been sentenced to die Jan. 7 in the lethal gas chamber at Salem.

A similar motion is also pending in the case of LeRoy (Bud) Starkey Jr., 20, Eagle Point, who was convicted of assault and robbery while armed with a dangerous weapon. Nunley said the state's answer to the new trial motion would be filed today. Starkey has already been sentenced to 10 years in the state prison on the charge, but is now out on bail, pending the motion.

He was convicted of the April 30 knifing of Philip Henselman, Jacksonville, well-known Rogue valley artist and interior decorator.

Midnight Deadline For Tax payments

Property taxpayers have until midnight today in which to have their payments postmarked for acceptance under the percentage refund system in Jackson county.

Any tax payments postmarked on or before the deadline will be subject to the following refunds: payment in full, 3 per cent; three-fourths payment, 2 per cent and half payment in advance, 1 per cent.

The line of those paying their taxes in person had shortened today from the large number of persons standing in it last week.

Fishing Trade Formula For Tuna Said Possible

Portland—(U.P.)—Japanese Ambassador Sadao Iguchi says he believes a formula can be worked out whereby Oregon fish packing plants can continue to import raw Japanese tuna without hurting the Japanese canned tuna industry.

Iguchi said he was confident a fishing trade formula would "protect both the industry and the American consumer."