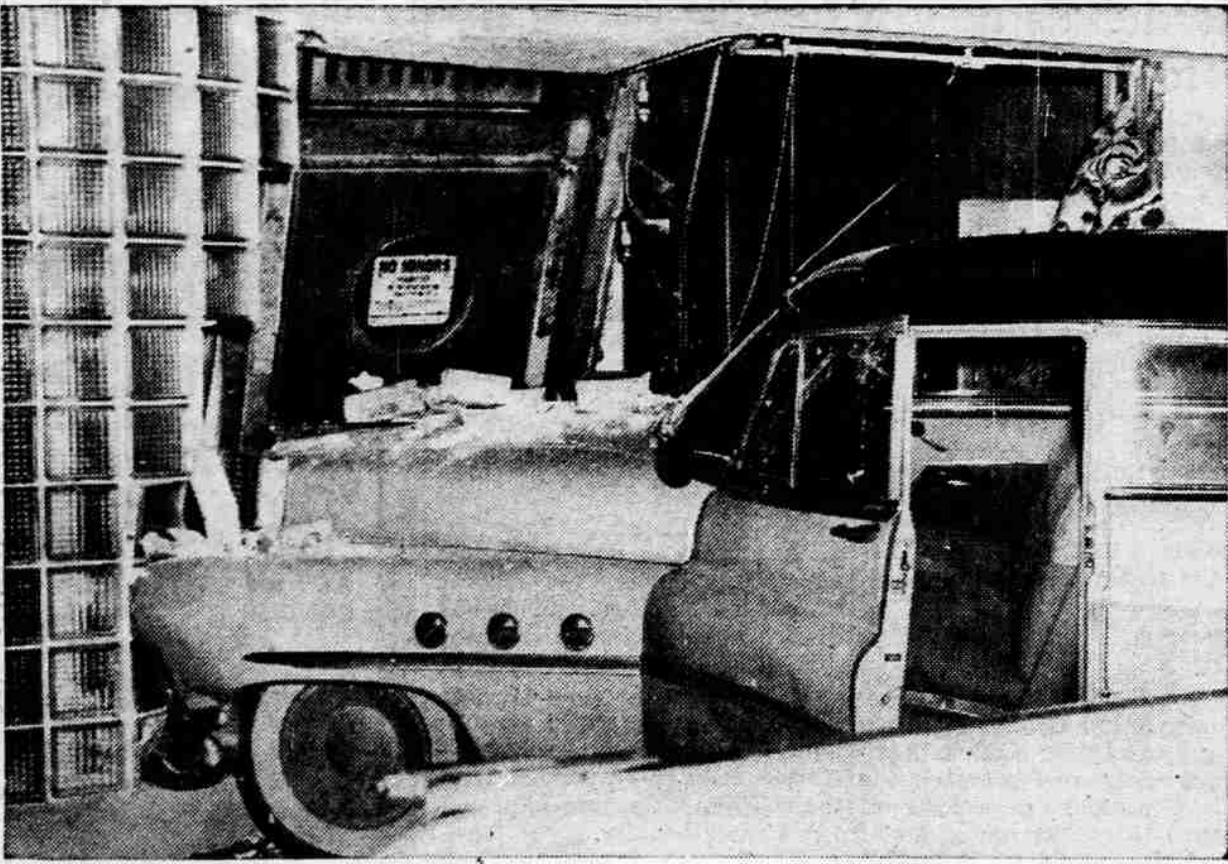


Weather

FORECAST: Cloudy with rain through Wednesday; mild temperatures. Low tonight 38-40; high Wednesday 45-48.
 Highest Yesterday 47
 Lowest this Morning 34



CAR SMASHES LOUNGE—An Ashland man was arrested after the stolen car he was driving smashed into the front of the Palomino room lounge of the Jackson hotel last night. The car is shown above before it was hauled away from the building. Several patrons of the lounge narrowly escaped injury as a glass brick wall toppled inward, and

the door was smashed. Driver of the car, identified as John Arthur Dane, alias John Arthur Showalter, 31, Ashland, was captured by police after he leaped from the car and ran. He is under guard at Community hospital where he was taken for treatment of a bullet wound in his leg.
 —(Photo by Franklin Jones)



GAPING HOLE LEFT—Shown above is the front of the Palomino room of the Jackson hotel as it looked after being smashed inward by a car driven by a man fleeing from city police. The stolen car is at the extreme

right beyond the wrecking truck. Portions of the bar can be seen through the gaping hole left by the destruction of a glass brick wall, just beyond the doorway which was slammed far inward.
 —(Brainard Photo)

Spectacular Auto Chase Ends In Crash, Gunfire by Police

A spectacular car chase ended in a wreck at the Jackson hotel and with gunfire, here last night. A 31-year-old man was wounded and taken into custody on a grand larceny charge.
 John Arthur Showalter, alias John Arthur Dane, a transient, is under police guard at the Community hospital. He is being treated for a flesh wound in the calf of his left leg. A warrant charging him with grand larceny has been issued by the district court. Bail was set at \$2,500. He will be arraigned as soon as he is physically able, officials said.
 Showalter is charged with stealing a car from Ashland being owned by Alden D. Powell, 281 Oak st., Ashland.
 Showalter was wounded by a police bullet after the car crashed into the Palomino room of the Jackson hotel.

Knowland Warns On China Weakness
 Chicago — (U.P.) — Sen. William F. Knowland has warned that weakness towards China during the Formosa crisis would move the United States' first line of defense back to its own Pacific coastline.
 The Senate minority leader, speaking of the cuff to the Chicago Dental Society last night said such a show of weakness "would set off a chain reaction" that would end with all Asia under Communist rule.
 "If Formosa is lost, our nation's front line of defense would move back to the shorelines of California, Oregon and Washington," he said.
 "That is no place for a front line of defense of our republic and the free world," the California Republican added.

Molotov Proposes Formosa Conference
 Paris — (U.P.) — The French Foreign Ministry announced today that Soviet Foreign Minister V. M. Molotov has proposed an international conference on Formosa.
 Molotov made the proposal to the ambassadors of Britain and India when he saw them in Moscow last week, a French Foreign Ministry spokesman said.
 It was believed that the Chinese Communist government had been consulted in advance on the Soviet proposal.
 The United States is known to oppose any conference on Formosa outside the framework of the United Nations.

Damage Not Great
 The manager of the hotel reported today that interior damage was not too great, although two occupants of the lounge narrowly missed serious injury. The car crashed through the outer wall and shoved the door into a pinball machine which struck a corner of the bar between the two patrons. One man had just left a stool before the accident. It was smashed by the pinball machine, the manager added. No injuries occurred, despite shattering of glass bricks on the exterior.
 In reconstructing the "cops and robbers" chase, city police said that state police had notified them of the stolen vehicle, parked at the Jackson hotel. It was placed under surveillance. A man and woman were seen entering the vehicle at about 10:20 p.m. and the car pulled away, heading south on Central ave.
Chase By Officer
 Officer Robert Gheysen gave chase, and the vehicles turned west on Ninth st. When he blew the siren alongside the stolen 1952 sedan, Showalter accelerated and turned north on Front st., almost tipping over, police continued. The vehicle made another skidding turn onto Eighth st. and smashed into the lounge.
 The driver jumped out and started running. Gheysen ordered him to halt "several times," and when the man kept running, fired three times with a .38 revolver. Detective Sergeant Lyle Perkins, who was advancing by foot on Central ave. towards the hotel, also ordered him to halt and fired twice over his head, police related. The wounded man ran down the alley beside the Craterian theater and hid in a stairway. Perkins found him there and ordered him to come out with his hands up. The man replied that he was hit and asked Perkins not to shoot.
Woman Not Held
 Officers returned to the hotel where they found his woman companion, who was interrogated and released. She told police she did not know that the car was stolen, and Showalter told her "it belonged to his brother."
 Besides striking the front of the lounge, the car also hit a parked vehicle registered to Jim V. Jones, 25 Washington st. Half of the stolen car was inside the lounge when it came to rest.

Dulles Sees Internal Trouble Within Russia
 Washington — (U.P.) — Secretary of State John Foster Dulles said today "we have signs of internal trouble" within Soviet Russia for some time.
 Commenting on the shakeup in the Soviet high command, Dulles told a reporter: "We have been expecting something like this. There have been signs of internal trouble." He refused to elaborate. Nor would he say whether the Kremlin shakeup could be interpreted as "good news" or "bad news" for the free world.
 Dulles talked briefly with a reporter when he emerged from a closed door meeting with the House Appropriations subcommittee that handles funds for the State Department.
 Members said Dulles was questioned at length about the Kremlin developments.

Neuberger Opposes Toll Road Financing
 Washington — (U.P.) — Sen. Richard L. Neuberger (D-Ore.) said today that he and Oregon's Gov. Paul L. Patterson were opposed to the toll-road financing part of President Eisenhower's \$101,000,000,000 highway program because it "would discriminate unfairly" against large thinly populated states.
 Oregon's junior senator said he and the governor had exchanged views on the toll-road provision of the 10-year road program drafted by the President's advisory committee. Neuberger said he had relayed his and Gov. Patterson's objections to Chairman Albert Gore (D-Tenn.) of the Senate Subcommittee on Roads and Highways.

Legislature OKs Memorials For Two Partnership Dams

Salem — (U.P.) — The Oregon legislature today gave its final stamp of approval on two partnership power memorials and sent them to Gov. Paul L. Patterson for signature.
 A party-line vote in the Republican-dominated Senate passing immediate starts on construction of John Day dam on the Columbia river, Cougar dam on the McKenzie river, and Green Peter dam on the south Santiam.
 The John Day Memorial to Congress asks federal construction if possible and partnership construction if full government financing is not forthcoming.
 The Cougar dam would be

built in co-operation with the Eugene Water and Electric Board, a public power utility. Green Peter would feature construction on a 50-50 basis by the government and Pacific Power and Light. The power company would pay a substantial part of the flood control features of the project.
 The John Day memorial was passed by a vote of 22 to 7 and the Green Peter and Cougar dam measure by a vote of 23 to 6. One senator was absent.
 Democratic speakers who spoke against the memorials branded them as an attempt to create a great private power monopoly in the northwest.

Chamber Executives Pick Lebanon Man

Portland — (U.P.) — Chuck De Foe, manager of the Lebanon Chamber of Commerce, today was elected president of the Oregon Chamber Executives Association. The Oregon and Washington groups are holding their annual joint meeting here. De Foe succeeds Don McNeil, manager of the Jackson County chamber.

Eisenhower Asks Federal Outlay For New Schools For Three-Year Period

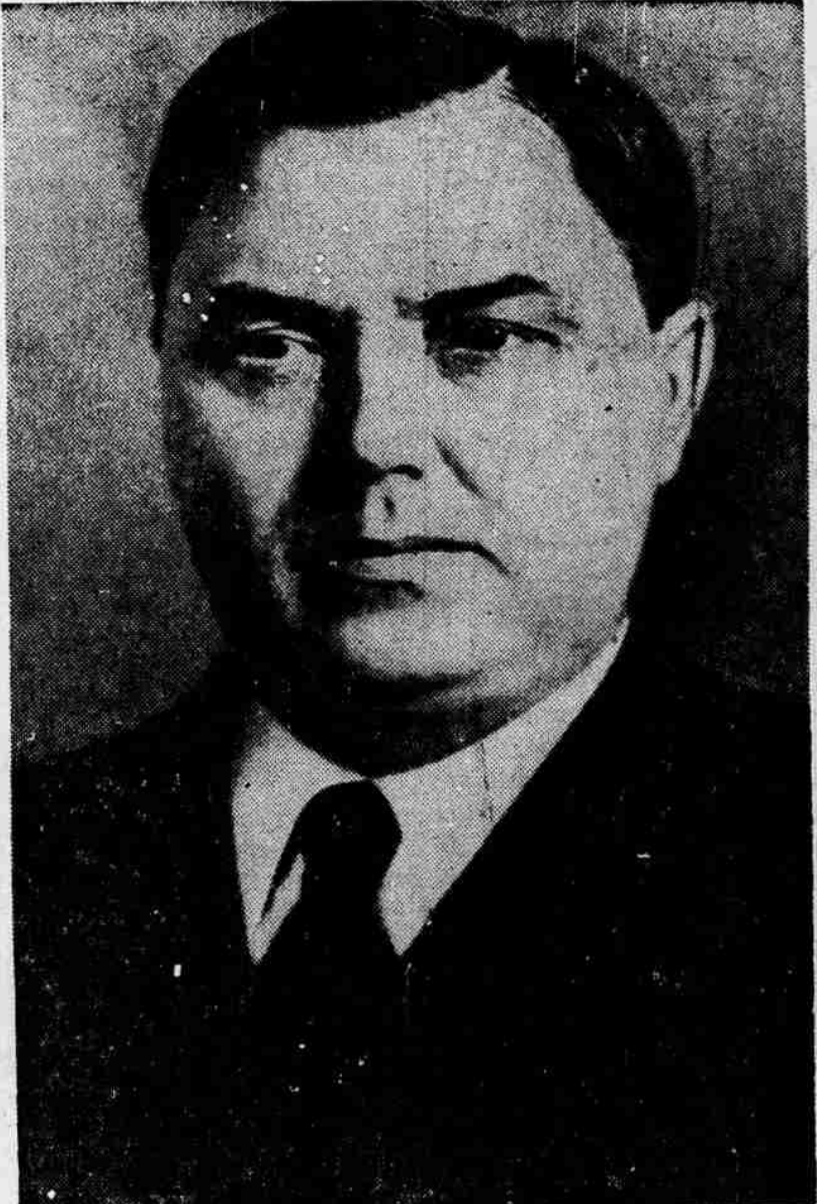
Washington — (U.P.) — President Eisenhower asked Congress today to authorize a federal outlay of \$1,120,000,000 over the next three years to help states and local communities build \$7,000,000,000 worth of schools.
 In a special message to Congress, he said such an "emergency program" is urgently needed to relieve "serious overcrowding" of classrooms. He said the goal is to wipe out an estimated "deficit" of 340,000 classrooms and "give our school children as quickly as possible the classrooms they must have."
To Speed Construction
 Mr. Eisenhower emphasized that his four-point program of federal aid is designated to speed up school construction "within the traditional framework of local responsibility for our schools." He warned that "federal aid in a form that tends to lead to federal control of our schools could cripple education for freedom."
 Mr. Eisenhower's message was rushed to the House and Senate a week ahead of schedule in what administration officials conceded was a move to head off attempts by Democratic senators to push through a school aid program of their own.
Reaction Favorable
 Senate Republican Leader William F. Knowland of California, said reaction among GOP legislative leaders was "generally favorable."
 House Republican Leader Joseph W. Martin Jr., of Massachusetts said the President's program "meets some of the crucial needs so that every boy and girl can have an education yet does not bring about federal control of schools."
 Mr. Eisenhower said the seven billion dollars which would be channeled into new school construction under his proposals would be "in addition to" construction outlays through normal processes.
Four Proposals
 Here are his four proposals:
 1. Appropriation of \$75,000,000 over the next three years for direct federal purchase of school construction bonds issued by local school districts "which are handicapped in selling bonds at a reasonable interest rate."
 2. Creation of special school construction agencies in each state to build schools that would be "leased" to local school districts which already have reached the legal limit of their bonded indebtedness and therefore cannot borrow on their own to build new schools.
 3. Federal appropriations of \$200,000,000 over the next three years for direct grants in aid to so-called "pauper" school districts that have so little taxable property and local income that they cannot qualify for new school construction under either of the previous two programs.
 4. Appropriation of \$5,000,000 immediately as part of a three-year total of \$20,000,000 to finance long term planning by the federal government and the states to correct problems confronting public education and, particularly, obstacles to local financing and the establishment of more efficient school districts.

Drop-in Donors For Bloodmobile Needed Until 6 p.m.

Drop-in blood donors will be welcome until 6 p.m. today, as the Red Cross bloodmobile makes its regular visit. It will be at the Elks temple.
 This morning, the number of those making appointments to give blood was far under the number necessary to fill the area's quota of 300 pints.
 The Junior Service league is furnishing and serving fruit juice, coffee and doughnuts to donors.
 The Bloodmobile will be in Ashland at the Elks temple from 1 to 6 p.m. tomorrow. Only 25 reservations had been made up to about noon today, with a quota of 200. The Ashland reservation telephone number is 7-221.

No Signs of Red Interference Shown During Evacuation

Taipei, Formosa — (U.P.) — Thousands of civilian refugees from the Tachen Islands began streaming aboard U. S. Navy and Nationalist transports today with no real signs of Communist interference.
 The first civilians to be embarked in an American ship boarded the attack transport USS Henrico this morning. The Henrico was one of many attack transports which moved in close to the China mainland for the operation.
 The 7th fleet, its guns at the ready, its planes filling the skies overhead, reported Communist boats, mines and torpedo boats 30 to 35 miles north of Tachen, but a briefing officer emphasized they had made no unfriendly moves.
 Peiping Radio threatened and blustered but there was every indication Red China had grounded its Soviet-built MIG-15 jets in the face of the overwhelming American naval might.
 American pilots were under orders not to fly over Communist area or provoke trouble, but they also were under orders to shoot back and chase any Red attackers back to the mainland.
 All officers and government officials gathered at 7:45 a.m. for the last raising of the Nationalist flag over the island. All stores and offices already were closed.
Opposition Ignorable
 Any signs of Communist military retaliation against what Peiping Radio called "U. S. war provocation" were so slight as to be ignored.
 A naval spokesman said two red torpedo boats were sighted at Gao Tao island, 35 miles north of Tachen, and another two at Hwei Hsu, 10 miles to the southwest.
 Sixty-seven Red junks escorted by two patrol boats also were seen moving out of the Tai Chou War river mouth 30 miles northwest of Tachen.
 Unofficial reports told of submarines skulking in the distance apparently keeping tabs of the operation, but they stayed well clear.



GEORGI MALENKOV
 Surprise Resignation Accepted

Phoenix Council Suspends Jim Perry As Chief of Police

Phoenix — Police Chief E. J. (Jim) Perry of Phoenix was suspended from office last night by unanimous vote of the city council. The council also ordered an audit of police and court records by a certified public accountant.
 The action was taken after a \$10 bail receipt, dated last Sept. 24, was shown the council. No record of the bail, as forfeited in court, could be found in an examination by Judge Frank De Souza or councilmen. The bail had reportedly been accepted by Mrs. Perry, police matron, who identified her own signature on the receipt.
To Audit Records
 The suspension was ordered upon motion of Councilman Leo Bohls, with a second by Johnny Klassen. It followed another unanimous vote to have all police records audited since Perry assumed office over 2½ years ago. All police and court records were impounded at once, and given to Councilman Frank Lovett, chairman of the police committee, for custody. He will obtain a CPA immediately to audit the books. A special council meeting will be called as soon as an audit is completed, or if a delay occurs.
 No one was named police chief in the interim.
 The audit and impounding of the books was recommended by Medford Attorney G. W. Keating, who represented several private citizens. About 30 persons jammed the small city hall-library chambers during the discussion.
Petition Favors Perry
 Prior to the motion for suspension, a petition and two letters were read favoring the retention of Perry as police chief. The petition bore 124 signatures of residents of the area. An accompanying letter, signed by W. R. Haggard and Glen Thompson said, in part, "less than 10 people refused to sign and we did not find one person that would say anything against Mr. Perry's character, ability as a police officer, or his honesty. We further feel that Mr. Perry has done an outstanding job with the children of this community and with his various projects, such as the Gun Club and his driver training program. We also feel that in his position he is sure to occasionally 'step on the wrong toes' and cause someone to hold a grudge. However, we cannot see where he has been guilty of favoritism and he tries to treat everyone with great respect."
 Another letter from Mrs. An-

na Smith, 120 Second st., called Perry "one of the best officers" the city has had, and cited his juvenile work as "outstanding."
Senate President Sets Talk in City
 Sen. Elmo E. Smith, John Dav, president of the Oregon state senate, will be the featured speaker here Friday at the Jackson County Lincoln club's annual banquet, it was announced today.
 Senator Smith, a Republican, represents Grant, Harney and Malheur counties.
 The annual banquet will be held at the Medford Elks temple, Fifth st. and Central ave.

Thornton Asks Survey Of Crime in Oregon

Salem — (U.P.) — Attorney General Robert Y. Thornton said today that prostitution on an open, commercialized basis has been suppressed in Oregon. But he said operators would resume as soon as public attention is focused elsewhere.
 Thornton, in his biennial report to the governor, called again for a crime survey to review and evaluate laws, appraise administration of law enforcement facilities and check the adequacy of juvenile justice and the penal system.

World Surprised
 Malenkov, who became Premier on March 6, 1953, just one day after Stalin died, ceased to be Premier.
 The news of Malenkov's resignation struck with tremendous impact.
 Diplomats in the galleries were openly startled. From all indications, the more than 1300 deputies of the two houses also were caught by surprise.
 The reason given for the resignation was his lack of experience in directing the government.
 The chubby Soviet leader's statement said he accepted responsibility for faulty direction of Soviet agriculture and stressed the importance of heavy industry in the general development of the economy.
 (See stories on Page 5)

Molotov Says U.S. Policies Leading To World War III

Moscow — (U.P.) — Soviet Foreign Minister V. M. Molotov said today that "the foreign policies of the imperialists and of the United States above all are aggressive and are leading to a third world war."
 Molotov told the Supreme Soviet in a speech soon after Marshal Nikolai Bulganin was elected Premier, that the United States nurses "insane notions" of reclaiming Communist countries for capitalism.
Two Foreign Policies
 "In our time," Molotov said, "battle is being joined between two foreign policies: That of peace and that of war."
 He said the Soviet Union desires peace and decreased tension and heads a Communist movement that is on the rise while capitalism grows weaker.

Molotov said the United States today is "backward" politically. He bitterly attacked American foreign policy.
 The United States, he said, nourishes "insane notions" of turning back toward capitalism nations which already are well on the road to socialism.
 Such policies, he said, are among those leading to "a third world war."
First with Hydrogen Bomb
 He told the Supreme Soviet that Russia was the first nation to develop the hydrogen bomb.
 He said the United States holds no advantage at all over the Soviet Union in the strength and ability to wage war.
 Thunderous applause greeted his statement.
 Molotov said the United States should quit Formosa. Then, he said, there could be peace in the Far East.

Bulganin Elected To Assume Post as Premier of Russia

Resignation Contains Confession of Guilt
 Moscow — (U.P.) — Georgi Malenkov resigned as Premier of Russia today and Marshal Nikolai Bulganin was elected unanimously to succeed him.
 Bulganin was nominated for the premiership by Nikita S. Khrushchev at the afternoon session of a joint meeting of the Supreme Soviet.
 The same body only a few hours earlier first had set in stunned silence and then had unanimously accepted the surprise resignation of Malenkov.
 The election of Bulganin was almost as great a surprise as Malenkov's resignation. Bulganin is a military administrator, lately turned politician, and a comparative newcomer to the Soviet political aristocracy.
Had Rapid Rise
 Foreign Minister V. M. Molotov or Khrushchev had been considered the most likely successors to Malenkov.
 Bulganin became an important figure in Russia after the battle of Moscow in 1941. He gave up his job as chairman of the State Bank and managed the civilian side of the city's defenses.
 He rose rapidly after the battle was won and became a politburo candidate in 1946. In 1947 he reached the peak as vice chairman of the Council of Ministers, in charge of defense.

Malenkov Apologizes
 He quit, his resignation said, "in interest of the motherland" with a public apology for "my guilt." He said he was convinced of his own "inexperienced leadership."
 Malenkov's resignation and the election of Bulganin to succeed him were the most electrifying developments in the Soviet Union since the death of the late Premier Josef Stalin almost two years ago.
 The last such comparable development was the Soviet announcement July 10, 1953, of the arrest of Lavrenti P. Beria, head of the Soviet Secret Police, on charges of sabotage and conspiring to restore capitalism in Russia.
 In spite of his resignation, Malenkov was expected to remain in the government.

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