

# Medford Hospitals Benefit by Ford Grant

## MEDFORD MAIL TRIP

50th Year 28 Pages MEDFORD, OREGON, TUESDAY, DECEMBER 13, 1955 Price

**Weather**  
 FORECAST: Fog or low overcast tonight and Wednesday morning. Increasing high cloudiness Wednesday afternoon. Low tonight 35-38; high Wednesday 48-50.  
 Temp. 54  
 Highest Yesterday 54  
 Lowest this Morning 45

# Dixon-Yates Interests Sue AEC

## Recovery of Expenditure on Contract Sought

### To Force Ruling On Pact Validity

Washington — (U.P.) — The Dixon-Yates interests filed suit against the Atomic Energy Commission today to recover \$3,534,778 spent by the private utility combine on the cancelled Dixon-Yates power contract.

The suit was filed in the U.S. Court of Claims here by Attorney Daniel James, representing the Mississippi Valley Generating Co. That was the firm formed by the Dixon-Yates interests to carry out the controversial power contract.

### Declared Invalid

The AEC, which once approved the contract, declared it invalid on Nov. 23 because of a possible violation of the conflict of interest law. It said it would make no cancellation payments.

The alleged conflict of interests, which the AEC claims made the contract illegal from the start, refers to the dual role played in the contract negotiations by Adolphe Wenzell. Wenzell served both as a consultant to the government on the contract, and as an executive of the First Boston Corp. which handled contract financial arrangements for the Dixon-Yates combine.

One effect of today's suit will be to force a court ruling on this question of the contract's validity. If the contract was valid, presumably the Dixon-Yates interests will be entitled to collect from the government to cover their expenses on it.

Mississippi Valley is owned by the Southern Co. and the Middle South Utilities Co. E. H. Dixon is president of Middle South as well as Mississippi Valley. E. A. Yates is chairman of Southern Co.

The combine was to have built a \$97,250,000 power plant at West Memphis, Ar., to supply power to the Tennessee Valley Authority to replace TVA power being supplied to AEC plants.

## Warehouse, Shop Destroyed By Fire

Fire destroyed a warehouse and repair shop behind Orchard Home Builder Supply company about two miles north of here on Highway 62 about 7:25 p.m. yesterday.

State police, who notified Medford Rural Fire department, said a truck, automobile parts, tools and other items were destroyed.

Firemen said the building was owned by P. L. Rushton, 2235 Prune st., and Eugene Foressee, 2814 Crater Lake highway. The building was engulfed in flames when firemen arrived with two pumps.

The building was about 54 by 62 feet, and was of frame type construction. Cause of the fire had not been determined early today.

An adjoining lumber yard and other nearby buildings escaped damage.

Firemen also were called to 2495 Jacksonville highway about 2:30 p.m. yesterday when fire extensively damaged a house trailer owned by Ted Shura. Firemen said slight damage was done to a neighboring trailer owned by Eldon Burgess. Cause of the fire had not been determined.

One pumper was dispatched to the Charles Hermann residence, 2222 Loaha ave., about 11:51 p.m. yesterday to check an overheated oil stove, and at 6:55 a.m. today firemen were called to the home of Mrs. Marie Disney, 825 East Jackson st., to check cause of smoke in the house. No damage was reported in either call.

## Turncoat Tenneson Arrives in Hong Kong

Hong Kong — (U.P.) — Richard R. Tenneson, 22, crossed into Hong Kong today from Communist China and said he turned his back on the United States because his stepfather "used to beat and whip me" back in Alden, Minn.

The one-time private first class in the U. S. Army said he also chose Communism because he disagreed with Army policies and because he believed "a bunch of American Generals" practiced germ warfare during the Korean war.

Tenneson was one of 23 U. S. soldiers who were captured by the Chinese Communists during the Korean war and declined to return home when the fighting ended. One changed his mind almost immediately. Another died in Red China. Three changed their minds last July.

Tenneson said he had seen the remaining turncoats recently and "I guess they all will come back sometime." But he brought out a message from former Pvt. James G. Veneris of Hawthorne, Calif., that "I'll be in China another 15 years."

Peiping announced that Tenneson would be released on Nov. 30 but instead he became a pawn in the cold war. The Communists, in their drive for world recognition, would release him only to an American official and none could take

# Dr. John Returns To West; Bold 'Inside Job' Hinted

Bonn, Germany — (U.P.) — Dr. Otto John, former head of West German security, returned to the West today under circumstances as mysterious as his original flight to Communism 17 months ago.

John fled across the Little Iron curtain sector border in Berlin yesterday and surrendered to West Berlin authorities. Last night he was flown to Bonn and handed over to intelligence agents in such secrecy as to cast doubt whether his role remained that of traitor or master spy.

### Speculation Mounts

Chancellor Konrad Adenauer, informed of John's return, said he must have been driven hard by fear of his fate at the hands of the East Zone Reds with whom he sought asylum on July 20, 1954.

But speculation mounted, though without official support, in Bonn, that perhaps he had been sent deliberately by the Bonn government to the Soviet

band's return and had gone to join him.

The 46-year-old John plunged the Allied world into crisis when he went over to the East German Reds in 1954. It was feared he might betray Western intelligence secrets to the Communists.

The reasons for his return flight were not known immediately.

### Wife Disappears

Just as mysteriously, his wife disappeared from her London apartment. A maid said she left at 11 a.m. yesterday without indicating her destination. London sources said she may have been forewarned of her hus-

band's return and had gone to zone as a fake political refugee in one of the most daring "inside jobs" in the history of espionage, and that now he had returned loaded with the Reds' innermost secrets learned during his months behind the Iron Curtain.

### Went of Own Will

The square-jawed spy specialist who once helped plot the death of Adolph Hitler in the abortive bomb plot of 1944, entered the Soviet zone of Berlin, in July, 1954, and soon afterward told a press conference he had gone of his own free will.

There was no indication as to whether he fled back to the West as a disenchanted traitor who had got a belly full of Communism or whether he had been working as a double agent all the time. West German officials withheld comment.



**BICARBONATE, PLEASE**—James Calloni, 56, a Woodland, Cal., rancher, is crowned Steak Derby Champ by Jean Kessey (Miss San Francisco) after winning the first annual Steak Derby at Alfred's in San Francisco. He bested a field of eight by downing four two-inch thick, pound and a half broiled New York cuts in six minutes and 36 seconds.

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## Syrian Government To File Complaint On Israeli Raid

Jerusalem — (U.P.) — The Syrian government decided today at an urgent Cabinet meeting in Damascus to lodge a strong complaint with the U. N. Security Council against an Israeli raid which plunged the Middle East into new crisis.

Defense Minister Rashad Bar-mada appealed to the nation for calm, but Syria-wide demonstrations against Israel and against the "lenience" of the Big Three underlined the anger of the Arab nations against the Jewish state.

**Strong Protest Voiced**

The Syrian press voiced strong protests against the United States, Britain and France for what the newspapers called a "lenient attitude that encourages Israel to commit further aggressions."

All front page editorials in the Damascus newspapers urged the Syrian government and people to double their efforts for financing large scale armament projects since the "Western pro-Israel attitude leaves no other alternative."

A United Press dispatch from the Israeli Ein Gev settlement on the northern shore of the Sea of Galilee said Syrian forces were returning to the positions blown up by Israeli raiders Sunday night.

## China Promises Veto

Russia has announced it will wreck the deal if any of its candidates fail to gain election. Nationalist China has said it will veto Communist Outer Mongolia.

The situation was further complicated by Soviet demands for an iron-clad guarantee that Communist nations approved in the Security Council will not be voted down in the General Assembly.

The Soviets want each council-approved application to be sent to the General Assembly, meeting in concurrent session, for a vote before the Security Council goes on to the next application.

## Budget Committee Meeting Postponed

A budget committee meeting scheduled for 7:30 today has been postponed until 7:30 p.m. Wednesday.

The change was necessary when the Medford planning commission adjourned its Monday night meeting to tonight because of a lack of a quorum.

## Nationalist China Seeks Backing in Blocking UN Deal

### Formal Announcement Of Veto Plan Withheld

United Nations, N. Y. — (U.P.) — Russia today vetoed South Korea for membership in the United Nations.

Soviet Delegate Arkady A. Sobolev also vetoed free Viet Nam.

### China Promises Veto

Nationalist China today appealed "to all delegations to join in making a last fight for the preservation of the United Nations" by blocking an 18-country membership package deal.

Chinese Ambassador Tingfu F. Tsiang avoided making a formal announcement to the UN Security Council that he would veto Outer Mongolia, or any other of the four Communist countries under consideration.

But he urged all members "to muster enough courage to stand up to the Soviet Union and say we will not be dictated to."

### Russia Steps Aside

Tsiang spoke after Russia yielded to the West on procedure for approving new members. Soviet Delegate Arkady A. Sobolev withdrew his demand that Russia's own resolution recommending 18 countries for approval by the General Assembly be given top place in the Security Council voting.

Acceptance by the Security Council and the General Assembly of the 18-country package deal in its present shape, Tsiang said, "would be a total surrender to the dictate of the Soviet Union" and would change the United Nations into a "rubber stamp" for the Russians.

Britain's Sir Pierson Dixon told the council his delegation would vote for all 18 countries, despite "reservations" about Albania and Mongolia.

Despite official optimism, especially among the Western powers, that most of the 18 applicants under consideration would gain admission, UN observers saw little chance that any would make it.

## Corvallis Jury Debating Reyes Fate

Corvallis — (U.P.) — The fate of Martin Reyes, Seattle, went to a jury of nine men and three women shortly after 11 a.m. today in Benton county circuit court.

The state asked the death penalty for the youth accused of the fatal shooting of James Apple-gate in Corvallis in October. The court gave the jurors five choices of a verdict: First degree murder with a death sentence; first degree with life imprisonment; second degree with a jail sentence up to life; manslaughter with a sentence of up to 15 years and a \$5000 fine, or not guilty.

## Local Retail Merchants Indicate Christmas Buying May Exceed Last Year's Record-Breaking Volume

Medford retail merchants, with a few dissenters, this week declared that the 1955 Christmas shopping season will probably exceed the record-breaking volumes of last year.

This conclusion is based on discussions with leading Medford retailers, and with bankers who are familiar with business activity in general. Of those queried, only a few merchants indicated their volume of business was not above that of a year ago.

One observer, a banker, pointed out that the fruit crop was much curtailed last year by a spring freeze, and still the Christmas business was as good as any in history. This year, with a good fruit crop and the lumber business at a healthy level, there is no reason to expect that the '55 season would not exceed that of '54, he declared.

**Starts in November**

Another banker said it is his impression that both volume and sustained interest in shopping are higher than a year ago. Active Christmas shopping began in earnest at about Thanksgiving time, rather than waiting until December, he said. No-

ember was a bad month for durable goods — furniture and appliances mostly — possibly because property tax bills were mailed out then, he said. But he believes it has picked up since and is holding up.

These impressions were supported by comments from many merchants. One, in a women's shop, said the season began before Thanksgiving for the first time, and that tastes seem to run to more expensive items.

**Volume Up**

Another, in the same line of business, agreed that volume is up and that the beginning was earlier, with the range of values in demand about the same. The urging to "shop early" apparently had its effect this year, he said.

Two other merchants, one in a women's wear shop and the other in a chain department store, indicated the volume was about the same, although the latter said he has the biggest stock and best selections available ever. He commented that people "don't seem to have the Christmas spirit."

One locally-owned department store, on the other hand, indicated that November sales

## Ford Foundation Allotments Lauded By Recipients

### Improvements Seen In Medical Care

New York — (U.P.) — The Ford Foundation made plans today to distribute a record \$500,000,000 to 4157 colleges and hospitals and recipients hailed the grants as a tremendous contribution to the progress of medicine and education.

Secretary of Education Marion B. Folsom said the funds, the largest in the history of philanthropy, would "contribute significantly to the well being of the American people."

Surgeon General Leonard A. Scheele said the hospital and medical school contributions would "result in improvements in medical care for persons in all parts of the country."

Privately supported colleges listed for sizeable contributions were particularly strong in their praise of a provision which would make possible considerable salary increases for professors.

### Go Into Endowments

Chancellor Henry T. Heald of New York University said "this tremendous gift to American colleges and universities is the greatest thing that has ever happened in educational philanthropy."

The grants must be placed in endowment. If distributed across the board to all faculty members the income could provide an estimated 4 per cent salary increase for every teacher in every privately supported four-year college in the country. The 126 colleges which received a "bonus" grant may be used for other than salary purposes.

**Low Pay Scales**

The Ford Foundation said the funds would be distributed during the next 18 months. The record contribution brought to nearly \$1,000,000,000 the amount granted by the Ford Foundation since it was established in 1936 with profits made by the Ford Motor empire.

The Ford Foundation said it decided to contribute toward raising teachers' salaries when a survey showed that railroad engineers made more money than professors.

The survey report, prepared under the direction of tax expert Beardsley Ruml, said that coal miners had been making more money than instructors at large universities, \$4698 compared to \$3700. Telephone operators receive about \$500 a year less than professors.

(See Stories on Page 4, Sec. 2)

# Total of \$60,500 Allotted; Officials Refuse Speculation

Medford's two accredited medical hospitals have been tentatively allotted a total of \$60,500 in Ford Foundation grants, it was reported today.

The gifts were "entirely unexpected," according to the administrators of the Rogue Valley Memorial (Community) hospital and Sacred Heart hospital. Officials at both institutions declined to speculate on the sudden windfall until they know more about the grants and the circumstances under which they may be made.

The allotment for Sacred Heart hospital is \$34,000, and that for the Rogue Valley Memorial hospital is \$26,500. Allotment of funds is based on the number of patient days of care, plus the number of births, at each hospital.

The grants are part of a total of \$4,653,200 allotted to eight privately supported colleges and 42 non-profit hospitals in Oregon. The total for Oregon is itself a part of a half-billion dollar gift by the Foundation to colleges, universities, hospitals and medical schools throughout the United States.

The sister superior at Sacred Heart hospital indicated, however, that the hospital has long needed an automatic fire sprinkling system, and that the money may go toward this if it fits in with the purposes for which the money can be used.

In announcing the grants to hospitals, the Foundation acknowledged the growth of population and the advances of medical knowledge have placed heavy burdens on the facilities of the voluntary non-profit hospitals. More beds are needed, it pointed out, buildings need replacement or modernization, new equipment is needed, the scope of services need to be extended, and costs of construction are rising.

Grants range from \$10,000 to \$250,000 for each of some 3,500 voluntary, non-profit hospitals, which are those accepted for listing by the American Hospital Association. Funds will be made available to the governing bodies of the hospitals to be spent in accordance with local needs and problems.

The money can be used for improvement of or addition to facilities or services, additions to or training of personnel, or conducting research. They may not be used for operating expenses for services currently being performed. The beneficiary hospitals must submit evidence of tax exemption, must submit preliminary plans for use of the funds within three months, and report at the end of two years on use or projected use of the funds.

The gifts to private colleges and universities are for increasing faculty salary levels, and is based on a sum equal to the 1954-55 payroll in each case, and in the case of those institutions which have led the way in improving the status and pay of its teachers additional sums equal to one-half of the yearly payroll will be given.

Here are the gifts listed for Oregon:

## Eisenhower Urges Democrat Leaders To Back Program

Washington — (U.P.) — President Eisenhower urged Democratic congressional leaders today to support a national security program which was revealed to include an expanded \$35,200,000,000 military budget.

Mr. Eisenhower also appealed for Democratic and Republican backing of the administration's foreign policy program, including a \$2,670,000,000 in foreign aid spending and a stepped up overseas information program.

**Plea Made at Conference**

Mr. Eisenhower made the plea during a conference with Republican and Democratic congressional leaders on the defense and foreign policy programs the administration will submit to Congress in January.

Mr. Eisenhower, in a frank bid for bipartisan support, expressed his "very real gratitude" to the leaders on both sides of the aisle "for the very great contribution they have made and are making to true bipartisan-ship."

**Optimistic Meeting**

Conferees reported afterwards that Mr. Eisenhower said the basic objectives of the expanded military program are to avert disaster in case of attack and to retaliate immediately.

On the whole, however, the tone of the meeting was optimistic, congressional leaders said. They said there was no indication of any imminent threat of war, although Mr. Eisenhower expressed disappointment over the failure of the recent Big Four Foreign Ministers Conference at Geneva.

- College grants:
- Reed College: \$391,400.
- Portland U.: \$313,100.
- Lewis and Clark: \$277,800.
- Willamette: \$216,600.
- Marylhurst College: \$172,000.
- Linfield: \$171,200.
- Pacific: \$147,400.
- Mt. Angel Women's College: \$51,700.
- Other hospital grants included:
- Albany General: \$22,100.
- Columbia, Astoria: \$23,400.
- St. Mary's, Astoria: \$19,000.
- St. Elizabeth, Baker: \$22,800.
- St. Charles, Bend: \$30,700.
- McAuley, Coos Bay: \$19,400.
- Good Samaritan, Corvallis: \$28,200.
- Cottage Grove hospital, \$18,600.
- Sacred Heart, Eugene: \$134,500.
- Good Shepherd, Hermiston, \$11,900.
- Hood-River hospital: \$16,100.
- Grande Ronde, La Grande: \$16,500.
- St. Joseph, La Grande: \$22,300.
- Pacific Communities, Newport: \$10,000.
- Keizer, North Bend: \$33,700.
- Malheur Memorial, Nyssa: \$10,800.
- Holy Rosary, Ontario: \$27,900.
- Hutchinson, Oregon City: \$13,400.
- St. Anthony's, Pendleton: \$54,100.
- Emanuel, Portland: \$216,200.
- Fairlawn, Portland: \$25,300.
- Good Samaritan, Portland: \$210,300.
- Holladay Park, Portland: \$43,700.
- Juvenile girls hospital, Portland: \$27,100.
- Physicians and Surgeons, Portland: \$65,600.
- Portland Sanitarium: \$103,400.
- Providence, Portland: \$141,500.
- St. Vincent's, Portland: \$195,000.
- Shriners, Portland: \$36,100.
- White Shield, Portland: \$10,000.
- Pioneer Memorial, Prineville: \$14,000.
- Douglas Community, Roseburg: \$33,200.
- Mercy, Roseburg: \$24,500.
- Salem General: \$50,200.
- Salem Memorial: \$55,600.
- Silverton hospital: \$15,500.
- Santiam Memorial, Stayton: \$10,000.
- Langmack, Sweet Home: \$10,000.
- Dalles General, The Dalles, \$29,700.
- Harvey E. Reinhart, Wheeler, \$10,000.

**DOW-JONES**  
 New York — (U.P.) — Dow-Jones final stock averages: 30 Industrials 484.29 up 0.57; 20 railroads 162.78 off 0.96; 15 utilities 65.35 off 0.10 and 65 stocks 172.30 off 0.23. Sales today were about 2,430,000 shares against 2,510,000 shares traded yesterday.

**10 SHOPPING DAYS LEFT**

---Help Fight TB---

1955 CHRISTMAS GREETINGS 1955

---Buy Christmas Seals---

A fourth store for men's wear said the trend was earlier and toward more expensive, quality merchandise.

**Optimistic View**

Two of three jewelry stores queried were optimistic, reporting good sales and volume. A third indicated it would be about as good as last year's record-breaking volume.

A candy store said its business was up by a good 25 per cent in retail sales, with a 15 per cent increase in wholesale distribution of a locally-made brand of candy, and a 30 per cent increase in retail business outside of the city on the same line, with many orders going to all parts of the country and abroad.

Salem — (U.P.) — Loring M. Grier, Salem business man, has been elected to the Salem city council to fill a vacancy created when Walter E. White resigned last month.