

ACTION FORESEEN IN GM STRIKE

In The Day's News

By FRANK JENKINS
THERE is an interesting development on the industrial-governmental front today.

Civilian Production Administrator John D. Small holds a news conference in Washington and tells the assembled reporters that "MAYBE prices are being held in check by the IMPEDING RECONVERSION AND CONTRIBUTION TO INDUSTRIAL STRIFE."

WHAT he means is this: We've got ourselves all anaried up in a mess. Let's get out of it by giving the workers HIGHER WAGES and then letting the bosses charge HIGHER PRICES.

HE says to the newspaper men: "I favor unequivocally the continuance of price controls to withstand 'severe inflationary pressures,' but such controls should be used to bring about the most rapid increase in production."

(Which is another way of saying that a LITTLE inflation will be mighty good for us—especially in this jam we've got ourselves into.)

HE adds: "There has been a growing feeling throughout the country that price increases would be about the worst thing that could happen to us. To my mind, LACK OF PRODUCTION is the worst thing."

THAT is to say, if you want it but CAN'T GET IT what difference does the price make? This newspaper's photographic department, for example, is out of flash bulbs. It would rather pay more for them than to go on doing without them.

IF CPA Boss Small were just another Washington bureaucrat talking to the reporters, what he has to say might not be significant. One suspects, however, that this isn't the case. It has been fairly obvious all along that the EASY way out of our strike troubles would be to permit industry to increase prices enough to offset wage increases. Politicians, like the rest of us, like the easy way out.

It is a fair guess that instead of merely going off at half-cock Civilian Production Boss Small was PUT UP TO IT by the higher-ups, who are on a very hot spot indeed as a result of a strike situation that has not boded out of hand.

They've got themselves into a position where permitting prices to rise enough to offset the cost of rising wages is about the only way to get off this hot spot without being badly burned. If this guess is accurate, we shall see OPA receding slowly into the background, muttering angrily into its beard as it retreats.

WHATSOEVER we do, let's not kid ourselves about this new policy (if it is to be THE new policy).

What it means is that we are shifting to a new level in which the lucky ones will buy MORE dollars that will BUY LESS. (The unlucky ones are another story. Unfortunately for them, they are scathed and unorganized and their PRESSURE power is small.)

THE stock market reacts promptly to what looks like the new government wage-price set-up. Trading is so heavy this morning that the ticker is swamped again, although the price ups are not so sharp as yesterday, when the vague outlines of this new policy began to emerge dimly from the mists.

It is the business of smart stock market traders to see these things coming and act quickly. They acted quickly yesterday.

WEATHER
(January 29)
Max. (Jan. 28) ... 30 Min. ... 18
Precipitation last 24 hours ... Trace
Stream year to date ... 9.00
Normal ... 2.50 year ... 4.84
Forecast: Scattered showers.

OPA Price Row Brought Into Open

Realistic And Flexible Policy Asked By CPA Chief

By MARVIN L. ARROWSMITH
WASHINGTON, Jan. 29 (AP)—A government official's plea for a "realistic and flexible" price policy brought into the open today a long-smouldering row between OPA and other federal agencies.

The nub of the debate that has been hauled from behind closed doors is whether prices are being held so firmly as to hamper reconversion and contribute to industrial strife. Civilian Production Administrator John D. Small made the plea for what he called realism and flexibility. He said at a news conference yesterday.

Two Held In Degnan Crime

CHICAGO, Jan. 29 (AP)—Chief of Detectives Walter Storms said today that two young men were held without charge for questioning about telephone calls made to the home of Suzanne Degnan after the 6-year-old girl was kidnapped, killed and dismembered on January 7.

72 Jap Holdout Soldiers Killed

MANILA, Jan. 29 (AP)—Seventy-two Japanese holdout soldiers were killed three days ago in the southern Luzon province, Camarines Norte, in combat with a Filipino battalion which had tried for six weeks to persuade them to surrender.

Crew Taken Off Grounded Ship

SEATTLE, Jan. 29 (AP)—All officers and the crew have been taken off the 5100-ton refrigerated ship Crown Reefer, grounded in heavy winter seas on Amchitka Island in the Aleutians, by a navy rescue tug, the navy operating base at Adak radioed the 13th naval district today.

Nurse Asks Annulment Of Marriage To '1-Man Army'

MANILA, Jan. 29 (AP)—A Bataan civilian nurse today asked annulment of a marriage she said she had contracted December 7, 1941, with Maj. Arthur Wermuth, famed "one-man army" in ignorance of the fact he had previously married in the United States.

Dies



Harry L. Hopkins, (above) former special assistant to the late President Roosevelt, died today Memorial hospital in New York.

Death Claims Harry Hopkins

NEW YORK, Jan. 29 (AP)—Harry L. Hopkins, 55, former special assistant to the late President Roosevelt, died at 8:35 a. m. (PST) today at Memorial hospital.

Hopkins entered the hospital last November. He had been in ill health for several years and resigned his White House post last July 3, saying "I must take a rest."

Court Upholds Davis Ruling

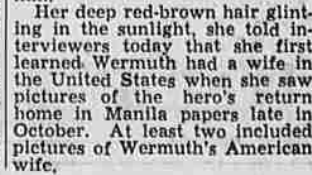
SALEM, Jan. 29 (AP)—The state supreme court today upheld a Klamath county circuit court judgment awarding \$10,000 damages to Dale Davis, 15, Klamath Falls, who lost a leg when his bicycle collided April 19, 1944, with a car driven by Michael Lavenik.

Officers Check Cline Movements

PORTLAND, Jan. 29 (AP)—Four San Francisco law officers were searching today for places Alfred Leonard Cline, charged in San Francisco with forgery in the estates of two wives, may have stayed overnight last November 22 and 23.

PFC Irwin Smith Killed In Action

PFC Irwin Smith, son of Mrs. Lorena Crain of Beatty, was killed October 30, 1945, in Marseille, France, as the result of gunshot wounds according to information supplied Mrs. Crain by the war department.



PFC SMITH

Herald and News

Telephone 3111
PRICE FIVE CENTS
KLAMATH FALLS, OREGON, TUESDAY, JANUARY 29, 1946
Number 10731

Gibson Girl On Stand

Witness' Character Trial Issue

Virginia Rose Gibson, the state's chief witness against Earl Heuvel, took the stand at 2 o'clock this afternoon in the sodomy case against the former Klamath Falls chief of police.

Both the prosecution and defense completed their opening statement to the jury at 1:45 p. m. Rex Kimmel, assistant attorney general from Salem and here to direct the prosecution, outlined the state's case, the testimony he intended to use from the time Miss Gibson first came to Klamath Falls late in October, 1944, through the period the alleged attack occurred on November 10, 1944.

He had been reported in serious "but not critical" condition early today. Since leaving Washington, Hopkins had been impartial chairman of New York City's cloak and suit industry. He succeeded former Mayor James J. Walker to the post. His salary was reported to be about \$25,000 yearly.

Woman Dies After Mishap

Mrs. Roderick (Mary) Frain, 53, member of a well-known Klamath county family, died at 8:30 p. m. Monday in Klamath Valley hospital where she had been receiving treatment for injuries suffered January 22 when she was struck by a car driven by James Herbert McCulloch, 20-year-old soldier.

Five Dead In Chilean Riot

SANTIAGO, Chile, Jan. 29 (AP)—The Chilean cabinet was reshuffled today as the government prepared for a showdown with labor by imposing strict censorship and a 60-day state of siege following a bloody riot yesterday afternoon between police and labor demonstrators in which five persons were killed and 77 injured.

Arriving In United States

By Associated Press
William J. Felton, PFC, Klamath Falls arrived on Refugee due in Seattle January 29.



Traffic was held up for a considerable length of time Saturday afternoon when four cars telescoped on the S. 6th street viaduct during the heavy moving hour. There were no injuries, investigating police said. It all started when a truck, not pictured, was forced to slow suddenly and the trailing cars smashed one into another.

Icy Pavements Cause Injuries

Several injuries resulted from icy pavement according to Klamath Valley hospital reports this morning. Pat Cannon, 69, 321 Oak, was admitted to the hospital at noon from the Klamath county health unit where he had been moved at 9:30 last night when pedestrians saw him fall on the sidewalk at 4th and Main.

Local Woman Hurt In Fall

Mrs. A. C. Backes, prominent Klamath business woman and chairman of the March of Dimes campaign in the infantile paralysis fund, slipped on the ice covered pavement at Pine and Esplanade at 9:30 this morning and suffered a fracture of the right leg below the knee.

Bulletin

WASHINGTON, Jan. 29 (AP)—Overriding a request by President Truman, the house today passed a bill returning the U. S. employment service to state control not later than June 30.

Mediator Hopes For Quick Pact

Definite action before the end of the week in the 70-day General Motors' strike was predicted today by James Dewey, newly-appointed special federal mediator between the CIO United Auto Workers and the corporation.

Girl Sentenced To 2 Years For Aiding Escapees

MEDFORD, Jan. 29 (AP)—Doris Burtis, 28, who admitted smuggling hacksaw blades into county jail to help her brother and three other prisoners escape, was sentenced to two years in the penitentiary today.

Negro Church Site Issue

A recent bid for the purchase of two lots in the vicinity of Commercial and Walnut by Mrs. C. M. Timms, pastor of the Union Mission church for colored people, was protested by property owners in the area at Monday night's council session.

Bodies Hunted In Hangar Blaze

OKLAHOMA CITY, Jan. 29 (AP)—Workers continued searching for bodies today in the twisted wreckage of Tinker field's principal hangar, gutted by a fire which took the lives of at least 10 persons and injured 43 others at the huge army air force supply depot.

Atom Bomb Test Invitation OK'd

WASHINGTON, Jan. 29 (AP)—Secretary of State Byrnes said today President Truman has approved his proposal to invite the United Nations atomic energy commission to witness the tests of the atom bomb against naval ships.

217 Nebraska Farmers Vote To Strike Against Strikes

EDGAR, Neb., Jan. 29 (AP)—A group of 217 Clay county farmers who said they need "farm tools and machinery" but not to market anything until all strikes are settled, voted a strike against strikes.

Atom Bomb Test Invitation OK'd

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Atom Bomb Test Invitation OK'd

Byrnes emphasized that even with the president's approval, however, his proposal should not yet be construed as the final government policy on the subject.