

71 TAKEN OFF STRICKEN YUKON

In The Day's News

By FRANK JENKINS
SECRETARY OF AGRICULTURE ANDERSON today joins President Truman in urging continuation of wartime food subsidies and price controls beyond June 30—when they will expire unless extended by Congress.

He had hitherto favored the ending of all controls this coming June, but has changed his mind, he says, because it "appears that the department (of agriculture) underestimated the tremendous demand for food and the great buying power in the hands of workers and returning veterans, among others."

He adds that the "danger of inflation has become so great that I feel it is necessary to maintain both price controls and subsidies."

HE concludes: "The department of agriculture's policy has been and will continue to be directed toward eliminating wartime controls just as soon as it can be done without jeopardizing economic balance, without contributing to inflation."

HE may be right. If ALL controls were suddenly removed, it seems probable that prices would jump alarmingly. Still, we mustn't lose sight of the fundamental fact that in the long pull ONLY FULL PRODUCTION CAN CURE INFLATION. Inflation is basically a shortage of things. It is merely aggravated, not CAUSED, by an abundance of money.

Full production, plus active competition, will stabilize prices quickly enough.

THERE are disturbing indications that present policies are holding down production. That seems to be the nub of our labor troubles. It is clear enough to all intelligent thinkers that WHEREVER price control results in holding down production it is CONTRIBUTING to inflation rather than restraining it.

It doesn't seem smart to take off all controls suddenly, in one breath sweep. But we certainly won't be smart if we permit price controls to hold down production.

That would be like trying to put out a fire by pouring gasoline on it.

THERE is something else that ought to be better understood than it is—why is government SO SLOW in putting military surpluses of consumer goods on the market?

There are unsettling stories about the amount of such goods held in storage. We hear of warehouses simply bursting with army and navy consumer goods. Admittedly, a lot of this talk is rumor, and rumor is something that can't be depended on.

But the rumors are so persistent that we can't help wondering if there isn't something back of them.

IF there are such stores, releasing them to a goods-hungry public in this period of acute scarcities would be temporarily equivalent, from the standpoint of holding inflation under control, to increasing production.

We ought to have the truth about this military consumer goods surplus. If it exists, it ought to be got onto the market NOW when people need it and have the money to pay for it.

It is beginning to seem silly to suggest another congressional investigation, but from one source or another we ought to get the truth. Present rumors are rapidly destroying public confidence in our whole governmental set-up.

That is dangerous.

Nip Balloons Yet Being Found

SPOKANE, Feb. 5 (AP)—Japanese balloons launched in Japan before V-J Day are still being found in remote areas of the west, the war department told the Chronicle today.

The department, answering queries from the paper, said information available to date indicated 281 balloons landed on this continent. Thirty-two bombs attached to the balloons or their fragments have been discovered.

The department said full information on the number of balloons or bombs recovered since V-J Day is not immediately available.

Anderson Favors Food Subsidies

ATLANTIC CITY, Feb. 5 (AP)—Secretary of Agriculture Anderson added his support today to President Truman's plea that Congress continue wartime food subsidies and price controls beyond their June 30 expiration date.

Anderson last fall advocated letting the subsidies expire. They have been costing the government more than \$1,700,000,000 a year.

The cabinet officer outlined his new stand in a speech prepared for a meeting of the National Canners association.

Sparks Fly Over Negro Church Site

Racial Dispute Rages In Chambers Of City Council

Protest of property owners over the sale of two city owned lots to a negro church, developed a major headache for the city council in session last night as a racial dispute raged for an hour and a half in the council chambers.

Charging that "Klamath Falls is laying the egg to start hatching a religious war," Mrs. Irene Kroenert, 4th and Pine, was one of a dozen to give defensive voice to the colored people's problem. Property owners, on the other hand, charged interference "from outsiders" as they gave vigorous protest to the council in sale of the city lots.

Backing the offer of Mrs. Caroline M. Timms, colored pastor of the Union Mission, were a half dozen Klamath Falls ministers and other friends of Mrs. Timms.

Mrs. Timms, who has lived here for many years and is the widow of William E. Timms and the mother of a large family, was first to take the floor in her own behalf. Mrs. Timms said that the church located at 251 Commercial wished to expand and to erect a place for people of her race to stay as part of the church program. The church wants to buy two adjacent lots to property it now holds.

Construction of the so-called rooming house is the bone of contention and adjacent property owners and residents of the neighborhood are demanding of the council that the property be withheld from sale for such a purpose as they consider it would render their property valueless for rental purposes.

Asks Consideration
 The Rev. Victor Phillips of the First Methodist church asked the council to give Mrs. Timms all consideration which would be given "anyone of the others of us," intimating that should the request come from a white minister there would be no hesitation on the part of the council.

It was Mrs. Kroenert who had the most to say in defense of Mrs. Timms. She said, in part: "Do you think just the Methodists, just the Presbyterians, are going to heaven?"

At this point some one in the audience called out: "You can have them in your neighborhood!"

Mrs. Kroenert continued: "I have friends among the Indians, friends among the Chinese and I'm proud of it, and friends among the colored people and I'm proud of it. I refer you to a book, 'As a Man Thinketh so is He.'"

Blasts Negroes
 Peter Zounich, 325 Commercial, property owner in the neighborhood in question, advised the council that as holder of six lots near the church he was "ruined if the colored people come in." Zounich said the town had had "prostitutes, bootleggers and now niggers."

"If anybody likes niggers let them get them in their yard," Zounich shouted.

Mrs. Timms was observed to be weeping silently as Zounich spoke.

Instantly Andrew J. Kroenert was on his feet in defense of Mrs. Timms.

"It's high time we come down and give them a chance," Kroenert said. "I defy you to say anything against Mrs. Timms."

At this point, Kroenert himself was near tears as his voice shook in addressing the council. It seemed touch and go, with property owners contacting the pleas of friends of the church.

Bombshell
 George Reed of 1125 Walnut touched off a bombshell in the ministerial quarters when he said that:

"Religion is all right and I'm (Continued on Page 2, Column 1)

Herald and News

Telephone 2111
 PRICE FIVE CENTS KLAMATH FALLS, OREGON, TUESDAY, FEBRUARY 5, 1946 Number 10737

NEW EVIDENCE IN CASE

Mayor Referees Racial Dispute



Mrs. Caroline M. Timms and Rufus Holt, minister of the Church of Christ, present their side of the story to Mayor Ed Ostendorf as property owners protest purchase by colored people of city lots adjacent to Mrs. Timms' church on Commercial street.

Anti-Strike Bill Backed

WASHINGTON, Feb. 5 (AP)—The house today rejected the first major attempt to modify the strike control bill sponsored by Rep. Case (R-S. D.).

On a voice vote, the chamber turned down an amendment by Rep. Landis (R-Ind.) to eliminate a ban on use of boycotts in labor disputes.

A short time later, however, the house agreed to an amendment by Rep. Hoffman (R-Mich.) denying courts the power of injunction to enforce the boycott ban. Instead, the penalty would be loss of bargaining rights for employees.

Rep. Howard Smith (D-Va.) called the Landis proposal "the first effort to sabotage, sterilize and caponize" the Case bill.

Rep. Paul Stewart (D-Okla.) said that "this is an atomic amendment which would blow everything the people want from the bill."

They said that without the boycott ban jurisdictional disputes would be condoned.

Undismayed, opponents renewed efforts to head off the bill by offering less drastic substitutes.

WEATHER

February 5, 1946
 Max. (Feb. 4).....30 Min.....22
 Precipitation last 24 hours......01
 Stream year to date.....9.13
 Normal.....6.90 Last year.....5.32
 Forecast: Showers.

Four Cage Teams To Clash Tonight In Benefit Games

Final event of the March of Dimes campaign will be the benefit basketball game in the KUHS gym tonight at 7:30 when the Oregon Woolen team plays the Henley town quintet, and Rickys Jewelers will meet the Tulaleke Merchants in the second tilt. All proceeds will go to the infantile paralysis fund.

A check of the returns to date revealed \$4125.30 have been received by the treasurer of the county chapter, Roy D. Rakestraw, but this does not include the amount received from theatre collections during the last week of the campaign.

Proceeds have not yet come in from a benefit dance sponsored by the Chillicothe PTA on Saturday evening, or from a similar affair held at Malin. Checks are also still being received by Rakestraw for the March of Dimes dance tickets which were mailed out from the office of the Foundation's county chairman, Mrs. Dena Backes.

Theatre collections totaled \$2910.69, according to a report

Group Approves Two-State Area For UNO Home

LONDON, Feb. 5 (AP)—The 13-member United Nations interim committee today approved a recommendation to put the organization's permanent home in the Stamford-Greenwich-Westchester area of Connecticut and New York.

Australia protested, still urging San Francisco for the site.

Col. W. R. Hodgson, the Australian delegate, said after the closed meeting that he would ask rejection of the recommendation tomorrow when it is presented to the full 51-member committee on headquarters. He added that he would put up a fight for San Francisco.

The Stamford-Greenwich-Westchester area was recommended by the UNO site inspection committee.

Group Rejects House Ceilings

WASHINGTON, Feb. 5 (AP)—The house banking committee today rejected, 14 to 11, an administration proposal to put price ceilings on old houses.

The committee, however, left in the bill by Rep. Patman (D-Tex.), a provision for price controls on new homes.

The price ceiling on old dwellings, as well as new ones, was proposed by Wilson W. Wyatt, newly appointed housing administrator.

The Patman bill had stipulated that after a certain future date the first sale of an old house would be the ceiling price. During the housing emergency it could sell for no higher price except to cover costs to any improvements.

Housing Units Saved For Vets

As vacancies occur, all public housing units here will be held for occupancy by distressed families of veterans and families of military personnel, it was announced today by George W. Copen, regional representative of the national housing agency.

Present occupants of public housing may continue to occupy the places in which they are housed, and approved applications of distressed families will not be affected.

The order means that no more civilian families will be accepted as applicants for quarters in the local public housing projects. Privately financed housing is not affected.

Hoyt To Head Denver Post

DENVER, Feb. 5 (AP)—Retirement of W. C. Shepherd as editor and publisher of the Denver Post and appointment of Palmer Hoyt, former editor and publisher of the Portland (Ore.) Oregonian was announced today by directors of the Denver Post Publishing company.

E. R. Campbell, Denver attorney and a director of the company, announced that Hoyt, who is a director of the Associated Press, had signed a contract today and would take over "in the near future."

Hoyt rose to the publisher's seat of the Oregonian the hard way. He went to work on the copy desk of the Oregonian in 1923, after holding down the telegraph desk of the Pendleton, Ore., East Oregonian.

In 1931 he was named news editor, and in 1933 managing editor. Five years later he was named manager, and a year after that, publisher.

Circulation Rose
 In the seven years that he was at the helm of the Oregonian, its circulation rose from 117,553 to an estimated 192,529.

Hoyt served as president of Sigma Delta Chi, national professional journalism fraternity, in 1941. In 1943, on leave from the paper, he was domestic director of the office of war information.

PORTLAND, Feb. 5 (AP)—Palmer Hoyt, editor and publisher of the Oregonian, described his new position as publisher of the Denver Post as "a new challenge" today.

The Oregonian made no announcement of a possible successor to Hoyt.

Body Approves Ship Transfer

WASHINGTON, Feb. 5 (AP)—The house naval committee today approved legislation authorizing President Truman to transfer surplus U. S. destroyer escorts and other light naval craft to China.

At the navy's request, the committee relaxed a ban against transfer of heavier warships, including battleships, cruisers, submarines and aircraft carriers. As amended, the bill would permit transfer of the larger craft provided Congress specifically approves.

Chairman Vinson (D-Ga.) said he had been advised by Adm. Chester W. Nimitz, chief of naval operations, that the government does not now contemplate giving battleships and the heavier type vessels to China but it might desire to do so later.

Hotel Check By Heuvel Trial Point

Witness Says Women Stayed In Room With Marines

A startling bit of evidence not before brought in to the trial of Earl Heuvel, former Klamath Falls police chief, was laid before the jury late yesterday afternoon when Ruth Ray, manager of the Lake hotel, testified that Virginia Rose Gibson and Bernice Huff had stayed at her hotel during the latter part of 1944 and also that Heuvel checked her records twice shortly after he was first placed under arrest in the early winter of 1944-45.

The hotel registry does not show the names of the two girls but the girls were brought into the courtroom and Mrs. Ray identified them as having registered at the Lake hotel on October 22, 1944, with two marines as husband and wife.

The room rent, she said, was \$4 a day for four people, not \$8 for two as the girls have testified.

Under cross-examination by Prosecutor Rex Kimmel, Mrs. Ray said that she was not positive that these two girls were the same ones who had registered with the marines, but was sure the girls had stayed there and she had asked them to leave because she was "suspicious."

Wanted Job
 "The little fat girl," she said, referring to Bernice Huff, called her mother and asked for money, and also applied for the job of chambermaid in the hotel.

Also under cross-examination, Mrs. Ray testified that Heuvel had checked her records twice in the winter of 1944-45 and once again after he was brought back from Arkansas last summer. The first time, she said, Heuvel told her he would "make it good" if she would give him some information.

She asked him, she said, if the girls were from The Dalles, but received no answer.

On the stand this morning the former police officer stated that the first independent recollection he has of the girls was after he was arrested in Arkansas and brought back to Oregon.

He said he did not recall questioning the girls or taking them to court, but pointed out that he might have done so and that there was nothing unusual about his questioning arrested persons and conducting them to court. When interrogating them, it was his policy to separate persons arrested together, he related.

Blanket Denial
 Heuvel categorically denied that he had ever made any immoral advances toward Bernice Huff and Virginia Rose Gibson, telling the jury, "That certainly is not true, gentlemen."

He testified at length concerning his health, the reasons he left Klamath Falls, his sojourn in California and Arkansas and the reasons for concealing his identity while away, but disclaimed any knowledge of the sodomy indictment against him.

Odell Olson, city policeman, told the court yesterday that he saw Heuvel on the street here January 26 of last year and that on Feb. 27 he received a telephone call from Fresno, Calif. He said that he recognized the voice as Heuvel's, and told him of the indictment and that the bail was set at \$21,000 cash.

ROAD CLOSED

SALEM, Feb. 5 (AP)—The Columbia river highway was closed this afternoon by a huge slide three miles east of Multnomah falls, the state highway commission announced.

47 Persons Reach Port; Seas Heavy

KETCHIKAN, Alaska, Feb. 5 (AP)—The lighthouse tender Cedar wireless coast guard headquarters that it had removed some of the wrecked steamship Yukon's passengers and was attempting to remove others with rafts, army barges and motor whaleboats, it described the wreck scene, where the Yukon piled on the rocks Sunday night, as Cape Fairfield, the western side of Johnstone bay, southeast of Seward.

Nine vessels were at the scene today. The seas were running heavier than yesterday but visibility was improved, the Cedar added.

At 1 p. m., it reported a total of 71 persons had so far been taken off the broken steamship. The Cedar was attempting to land breeches buoy equipment ashore, with which to land additional survivors, but swells and surf hampered operations.

The coast guard cutter Onondaga arrived at Seward today with 47 women and children taken off the Yukon, which was bound from Seward to Seattle with approximately 500 men, women and children.

Three men, landed earlier by the army tug FS-241 after they were washed off the broken steamship, were hospitalized at Seward.

The coast guard buoy tender Cedar and the navy salvage ship Curb began rescue work after the Onondaga steamed away with its hysterical survivors, and the freighter North Haven and army transport Brig. Gen. M. G. Zalinski were standing by in Ellington passage to take their turns at rescuing survivors. Seas were subsiding but there was a heavy snowstorm handicapping rescue work.

Meantime the steamship Alaska, at Kodiak, was ordered to Seward to aid that little town in accommodating survivors and to bring them to Seattle.

The three men landed by the army tug told interviewers at Seward that there were 20 men unaccounted for among the 496 passengers and crew aboard the Yukon. The coast guard and the Alaska Steamship company, which operated the Yukon for the war shipping administration, had no word of casualties, and expressed doubts concerning the report.

Lodge Fray Fatal To Portland Man

OREGON CITY, Feb. 5 (AP)—Clarence Allen Mack, 23, Compton, Calif., was held in jail here on a first degree murder charge today after an altercation at Timberline lodge which was fatal to Guy L. Nelson, 51, Portland.

District Attorney Stanley J. Mitchell said Mack, a waiter at the lodge, and Nelson, a fry cook, argued briefly. Nelson died a few hours later of injuries from a blow which struck his head against the concrete floor, Mitchell stated.

The tugboat strike, however, held immediate chief attention in the nation's biggest city. O'Dwyer declared last night that continuation of the work stoppage next Monday of all its members except those engaged in "vital" services.

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Six men paid heavy fines in justice court yesterday after pleading guilty to the illegal possession of these six deer carcasses. Five of the deer were believed to have been shot in the California lava beds Sunday and the other appeared to have been killed about two weeks ago. The venison was confiscated by court order and delivered to the poor farm. The state patrolman is Mark Sullivan, who located the illegal meat. (See also story on sports page).